



COUTO DEFRANCO, P.A.
CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

Online Advisor

- JANUARY 2015 -

MAJOR TAX DEADLINES

* January 15 - Final 2014 individual estimated tax payment is due, unless 2014 tax return is filed and taxes are paid in full by February 2, 2015.

COMING UP IN FEBRUARY

* February 2 - Employers must provide 2014 W-2 statements to employees.

* February 2 - Payers must

Dear Anthony,

As we prepare for another tax-season, we would like to take this opportunity to wish you a very happy and prosperous 2015. Please gather your documents and make your tax-planning appointment early! This newsletter is filled with helpful tips which will assist you, but as always, we encourage you to call our office to set up an appointment to discuss your finances and tax-planning.

We are looking for more good clients, and since we are expanding, we would appreciate your referrals!

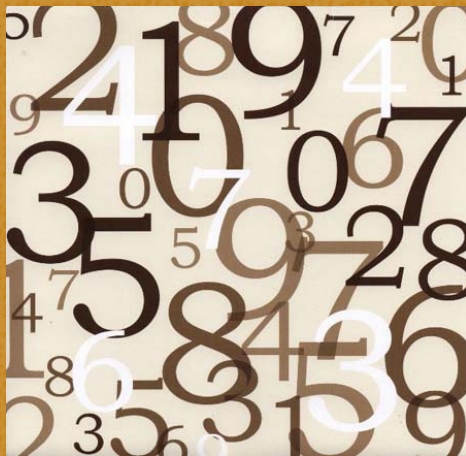
Forward this email to friends and family; it entitles them to a complimentary consultation.

The Partners and staff of Couto DeFranco, P.A.

provide 2014 Form 1099s to payees. (Brokers have until February 17 to provide Form 1099-B and consolidated statements to customers.)

WHAT'S NEW IN TAXES

IRS Announces adjusted 2015 tax numbers



Each year the IRS adjusts certain tax numbers for



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Congress approves temporary tax extenders through 2014

Each year, the IRS must make inflation adjustments to certain tax numbers, as required by the tax law. The contribution limits for retirement plans and income phase-out thresholds for plan eligibility are among the numbers adjusted annually.

Here are the 2015 numbers you'll need to know.



- * IRA contribution limit for those under age 50 remains at \$5,500. Those 50 or older can contribute up to \$6,500.
- * 401(k) salary deferral limit for those under age 50 increases to \$18,000. Those 50 or older can defer up to \$24,000.
- * SIMPLE deferral limit for those under age 50 increases to \$12,500. Those 50 or older can defer up to \$15,500.
- * SEP annual contribution limit increases for 2015 to \$53,000, up from \$52,000 for 2014.

inflation and tax law changes. Here are some of the adjusted numbers you'll need for your 2014 tax planning.

- * Standard mileage rate for business driving increases to 57.5¢ a mile. Rate for medical and moving mileage decreases to 23¢ a mile. Rate for charitable driving remains at 14¢ a mile.

- * Social security taxable wage limit increases to \$118,500. Retirees under full retirement age can earn up to \$15,720 without losing benefits.

- * Kiddie tax threshold increases to \$2,100 and applies up to age 19 (up to age 24 for full-time students).

- * Nanny tax threshold remains at \$1,900.

- * Health savings account (HSA) contribution limit increases to \$3,350 for individuals and to \$6,650 for families. An additional \$1,000 may be contributed by those 55 or older.

- * Estate tax top rate remains

- * Roth IRA eligibility phases out at the following income levels:
 - For singles and head of household - \$116,000 to \$131,000
 - For married filing joint - \$183,000 to \$193,000

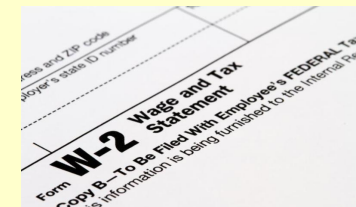
- * There is no income limit for rolling over a traditional IRA to a Roth IRA.

- * If the taxpayer has a company pension plan, IRA deductibility phases out at the following income levels:
 - For singles and head of household - \$61,000 to \$71,000
 - For married filing joint - \$98,000 to \$118,000
 - When taxpayer's spouse has a company pension plan - \$183,000 to \$193,000

For more information on inflation adjustments made for 2015, please contact our office.

Inform your employees about their total pay package

At this time of year, you're probably putting together your business budget for 2015. As you work on the payroll numbers, it's always surprising how much the cost of fringe benefits adds to base wages. And if you offer health insurance to your employees, that number has probably been increasing even faster.



What's disappointing is that most employees have no idea how much the company pays on their behalf. That's why you should

at 40%, and the exemption amount increases to \$5,430,000.

- * The annual gift tax exclusion remains at \$14,000.

- * Tax credit for adopting a child is \$13,400 for 2015.

- * Alternative minimum tax exemption amounts increase to \$53,600 for single taxpayers and \$83,400 for married couples filing a joint return.

NEW BUSINESS: Tax Deductible Auto Expenses



The IRS recently announced

consider preparing a personalized statement for each employee, showing the value of their company-provided fringe benefits.

Although it may sound complicated, your accounting system should allow you to produce the numbers quickly and easily.

- * Begin with premiums you pay for health, life, and disability insurance. Include costs you pay for any other benefits, such as parking or transit passes.

- * Add in any dollars you contribute for the employer match in your 401(k) plan. Or if you offer a profit-sharing plan, include those contributions.

- * Include the company's share of Medicare and social security taxes paid for each employee. Employees would have to pay that themselves if they were self-employed. You can also include costs for unemployment and workers' compensation insurance if you want to be really precise.

- * Conclude the statement by listing the hours of paid vacation or sick leave that you grant.

The end result is likely to be an impressive total for each employee. The statement should give your employees a new appreciation for their overall salary package. It's also a useful tool when you discuss salaries.

What's New in Finances: Some retirement contribution limits change for 2015

that the mileage rate for business driving in 2015 will be 57.5¢ a mile, a slight increase from the 2014 rate of 56¢ per mile. The rate can be used for cars, vans, pickups, and panel trucks.

Companies that don't want to keep track of the actual costs of using a vehicle for business purposes may use this standard mileage rate instead. An annual study of the fixed and variable costs of operating an automobile is used to determine what the standard mileage rate will be for a given year.

In addition to the mileage rate, a separate deduction may be claimed for parking fees, tolls, interest relating to the purchase of the automobile, and state and local personal property taxes.

The standard business mileage rate can't be used for automobiles used for hire (e.g., taxicabs) or for fleets of automobiles used simultaneously by the taxpayer. Nor can the standard rate be used if the vehicle was

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previously depreciated by other than the straight-line method, including using bonus depreciation or the Section 179 deduction.

When the business mileage rate is used in 2015, depreciation will be considered to have been allowed at a rate of 24¢ a mile. This depreciation reduces the taxpayer's cost basis in the vehicle.

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- For married filing joint - \$98,000 to \$118,000
- When taxpayer's spouse has a company pension plan - \$183,000 to \$193,000

For more information on inflation adjustments made for 2015, please contact our office.

The information contained in this newsletter is of a general nature and should not be acted upon in your specific situation without further details and/or professional assistance. For more information on anything in the Online Advisor, or for assistance with any of your tax or business concerns, contact our office.

We hope you found this information helpful. Call today to schedule your appointment to start getting into financial shape!

973.325.3370

Sincerely,

The Partners and Staff
Couto DeFranco, P.A.

EXCITING COUTO DEFRANCO NEWS:

We've been recognized as
"Top Wealth Managers in NJ"

(FOR 2nd YEAR IN A ROW!!)



Nelson Couto CPA, CFP™
Anthony DeFranco CPA, CFP™



CERTIFIED FINANCIAL PLANNERS™

Nelson J. Couto, CPA, CFP™

Anthony DeFranco, CPA, CFP™

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Nelson J. Couto, Partner

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Nelson Couto and Anthony DeFranco honored with a recognition by NJ Monthly Magazine in its selection of "Top Wealth Managers In NJ 2015"

Nelson Couto, CPA, CFP®, and Anthony DeFranco, CPA, CFP®, MS (Taxation) of Couto DeFranco, P.A. have been named as, 2015 Five Star Wealth Managers and featured in New Jersey Monthly magazine January 2015. Out of the 3315 wealth managers in New Jersey who were seriously considered for the award, 646 were named. Couto and DeFranco represent less than 1 percent of the eligible Wealth Managers in the New Jersey.

"We are delighted to be acknowledged as a Five Star Wealth Manager by New Jersey Monthly, and proud that the work we have done for our clients has been recognized," says Anthony DeFranco.

Couto and DeFranco are recognized as leaders in the field

Anthony DeFranco, Partner

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of wealth management, where they combine their CFP® knowledge with over 25 years as being CPAs to help their clients with their wealth management and tax planning needs, along with helping them with their financial goals and aspirations.

They believe the best way to help clients reach their financial goals is simple: to listen. "It is important to listen to where they are today and where they want to be tomorrow," says Nelson Couto. The partners feel that clients are paying them for their knowledge-both as NJ Certified Public Accountants and Certified Financial Planners®-so it is their responsibility to develop a financial plan that is sound, objective and honest. This model has been their secret to success.

Starting a business? Tax Questions? Need Financial Planning?

Print out this certificate for a complimentary one-hour consultation.

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300 Executive Drive, Suite 200, West Orange, NJ 07052, USA.
Telephone: (973) 325-3370 Fax: (973) 325-3371
Email: info@coutodefranco.com

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Couto DeFranco, P.A. | 300 Executive Drive | Suite 200 | West Orange | NJ | 07052