



# Clemmons & Company Inc.

"ONE ON ONE SERVICE IN ACCOUNTING, TAXES AND BUSINESS CONSULTING"

## NEWSLETTER

By: Faythe A. Clemmons, EA, NTPI Fellow, ABA, ATP

December 2015/January 2016

### EDITOR'S NOTE

We would like to welcome all new clients that joined our family in 2015 and to offer a huge "Thank You" to our loyal clients for your support as we restructured the services that we offer. Once again, I could not have made it through another year without my awesome employees to whom I am most grateful!!!!

### ARE YOU SOCIABLE?

Do you want to keep up with the latest tax law changes, receive business tips and get a \$5.00 credit/cash? If so, then become sociable with Clemmons and Company and like us on Facebook.

Twitter: [www.twitter.com/ms1040](http://www.twitter.com/ms1040).

Facebook: <http://tinyurl.com/2ubaec5>.

Linked In: Faythe A Clemmons

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ACCOUNTING & TAX SERVICES  
FREE

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Referrals for small businesses in need of accounting, tax preparation and tax representation are greatly appreciated. Individuals with complex tax issues as well as individuals requiring IRS representation for audits and filing/tax issues are also greatly appreciated. To express appreciation, Clemmons and Company will give a credit up to 25% of collected fees for eligible referrals that will be redeemable for our services. Tax preparation referrals in excess of four will qualify for free tax preparation. Non clients will receive a referral fee instead of a credit.

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### 2015

### TAX CHANGES WRAP UP

I must say that 2015 had far less tax law changes than in the last few years.

### TAX LAW CHANGES

- ◆ **Standard Deduction** – Single/Married Filing Separately increased to \$6,300. Married Filing Jointly/Qualifying Widow increased to \$12,600. Head of Household increased to \$9,250.
- ◆ **2015 Personal Exemption** - For each dependant the deduction is \$4,000.
- ◆ **Itemized Deduction Limitation** - Begins with income starting at \$258,250.
- ◆ **Additional Medicare Tax (AdMT)** - Medicare tax increases by .9% on wages, compensation and self employment income when income is above certain threshold amounts.
- ◆ **Earned Income Credit** - The maximum credit amount for 2015 is \$6,242.
- ◆ **Health Care Coverage** - Health Care Providers are required to issue a 1095-A, 1095-B or 1095-C to those who had health care coverage.
- ◆ **Failure To Maintain Health Coverage** - Penalty is the greater of \$325 or 2% of excess household income over the threshold amount.
- ◆ **Education Credit and Tuition Deduction** - An education credit or deduction is only allowed with a Form 1098T from education institution
- ◆ **My Social Security Account** - Beneficiaries can receive a variety of information by setting up a social security account on SSA's website.
- ◆ **Forms 1099s** - Penalties have increased for returns filed late with the IRS.
- ◆ **Standard Mileage Rates** – For 2016, the standard mileage rate will be for business: \$.54 a mile; medical/moving: \$.19 a mile; charitable contribution: \$.14 a mile
- ◆ **Tax Return Due Date** - Because of Emancipation Day tax returns are due April 18, 2016.
- ◆ **IRS Statue of Limitations** - Has increased to six years where the return has an understatement of gross income.

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