

don't want to live on Social Security benefits alone. That's not enough for a comfortable retirement. You need to contribute enough to at least get your employer to match. You're losing out if your not getting that money from your employer.

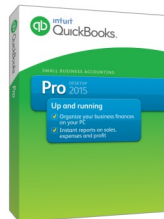
## Payroll Taxes

The Social Security wage base is expected to be \$122,700 for 2016, up \$4,200 from this years ceiling. That's Obama's official budget forecast, based on data from the Social Security Admin. The tax rates will remain the same on employers and employees. That will mean a tax increase of up to \$260 a piece for high-paid workers and their employers. If you are doing longer range planning, the estimates are \$125,400 for 2017, \$129,800 for 2018 and \$135,000 for 2019.

## Peachtree and Quickbooks Update

Effective immediately, Yurchyk & Davis can no longer restore backup files from Peachtree prior to version 2013. Peachtree has changed their upgrade policy to make it mandatory that you upgrade every year going forward. Because of this change, older versions are no longer being supported by Peachtree. At this time, we can restore backups from versions 2013, 2014, and 2015. If you are using a version older than that, we will need to convert your data to one of the newer versions in order to work on your account. This process can be time consuming, therefore it may be in your best interest to upgrade in order to eliminate any additional fees. If you have any questions, please feel free to contact Sharon at ext. 317.

In addition, Quickbooks will be sunsetting version 2012 in May of 2015 eliminating technical support for versions prior to 2013. If you are using version 2012 or older, you will need to upgrade to the newest version before then. We will no longer be able to restore backups or accountant's copies on these old versions and we will need to convert your data to a newer version in order to work on your account. If you need assistance with purchasing or upgrading your Quickbooks software, please feel free to contact Angie at ext. 316.



## 25th Anniversary

Yurchyk & Davis CPA's, Inc. recently celebrated its 25th Anniversary on January 22, 2015. We are very proud of the success of the firm in that we have grown each year because of the hard work and dedication of the current and past partners and staff. We have all strived to provide our clients with the highest level of professional service as possible.

Starting back in 1990 with a total of 5 staff members, we have grown over the years to where we are today with 17 employees which include 8 CPA's. We have always felt that our most important asset is our staff, and we have tried to make the firm a place where they have had an opportunity to advance their professional careers, and at the same time provide them with a friendly work environment.

Of course we would not be where we are at today without the many clients we have had the pleasure to serve on a daily basis. We are fortunate to call many of these clients good friends. The relationships we have established are invaluable to us.

Once again, thank you for contributing to our success for the past 25 years and for our success over the next 25 years.



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## March 2015

Earning your trust since 1990





# March

## Ohio Department of Taxation News

### Safeguarding Taxpayer Refunds in 2015:

In order to better protect Ohio taxpayers and prevent tax fraud, the Ohio Department of Taxation (ODT) is implementing additional safeguards that will inevitably cause some refunds to be delayed this upcoming tax filing season.

These steps are being taken to further bolster defenses in anticipation of the continuing increase in attempted tax fraud involving identity theft. Last year, ODT intercepted an unprecedented number of fraudulent income tax returns seeking to steal refunds totaling more than \$250 million. In previous years, attempted tax fraud averaged about \$10 million.

To detect and counter refund fraud related to ID theft, an additional up-front filter will now be applied to all refund requests to analyze the demographic information reported on a return. This analysis will then assign a "probability of fraud" factor that will determine how the return is then further processed by ODT.

If a return is pulled for review, ODT's additional security measures will require some taxpayers to successfully complete an Identification Confirmation Quiz, before the return will continue to be processed. If a taxpayer's return is selected for identity confirmation they will receive a letter from ODT directing them to our website ([www.tax.ohio.gov](http://www.tax.ohio.gov)). The website will provide access to the quiz, detailed instructions on how to complete it, and frequently asked questions for reference. Taxpayers without Internet access will be directed to call ODT at **1-855-855-7579**, for assistance with completing the quiz.

The additional screening and security measures will unfortunately slow the process of electronic and paper returns, and the issuance of refunds. Electronic returns requesting a refund may take up to 15 days to be direct deposited this year, and paper returns could take up to 30 days for a physical check to be mailed out.

## Obamacare

### All about Obamacare

The Affordable Care Act, also known as Obamacare, became law on March 23, 2010, and the tax effects finally will be felt in 2015. There are many new forms and documentation requirements, and some taxpayers will discover that they no longer can use the tax return they are accustomed to completing because of a subsidy to buy health insurance.

First, there's the coverage issue. Under Obamacare's individual shared responsibility provision, you must let the IRS know when you file that you had the required minimum essential health care coverage or were exempt. If you have qualified coverage, you'll get a Form 1095-C from your employer or a Form 1095-B from the insurer. In these cases, you'll simply check a box on your tax return.

However, if you or anyone in your family doesn't have the required coverage or aren't exempt, you'll have to pay a penalty when you file your return. Both exemption claims and penalty calculations are made on new Form 8965.

Then there's the premium tax credit. This is Uncle Sam's way of helping certain taxpayers pay for required insurance they obtained through a health care exchange. Some folks got advance payment of this credit when they got coverage. Others will claim the tax break when they file their 2014 tax returns. Either way, you'll have some calculations to complete on new Form 8962. That information will be reported on Form 1040 or 1040A. You can't use the short Form 1040EZ if you get this credit.

### Obamacare life-change costs:

If you discover when you file your 2014 return that your premium tax credit is off, make sure that doesn't happen the next filing season. Changes in your life affect how much of a health coverage credit you can claim. Report changes to the health care exchange where you purchased coverage as soon as they occur so that your advance credit payments can be adjusted. This will help you avoid getting a smaller refund or owing money that you didn't expect to owe when you file.

Among the things that could make a tax credit difference are a birth or adoption, marriage or divorce, moving, job change, and increase or decrease in your household income. These changes also may allow you to take advantage of a special enrollment period -- 60 days from the date of the life event -- during which you can make health care plan changes.

## 2015 Standard Mileage Rates

Beginning on 1/1/2015, the standard mileage rates for cars, vans, pickups, and panel trucks will be 57.5 cents per mile for business miles, 23 cents per mile for medical or moving purposes, and 14 cents per mile for charitable purposes. The business expense rate is up 1.5 cents per mile from 2014, while the medical and moving expense rates are down 0.5 cents per mile from the 2014 rates. The charitable rate is set by law and remains unchanged from last year's rate. The portion of the business standard mileage rate treated as depreciation is 23 cents per mile for 2012 and 2013, 22 cents per mile for 2014, and 24 cents per mile for 2015. When computing the allowance under a Fixed and Variable Rate (FAVR) plan, the standard vehicle cost cannot exceed \$28,200 for autos or \$30,800 for trucks and vans. Notice 2014-79, 2014-52 IRB.

## 401k News: Contribution Limits Will Increase for 2015

The IRS raised the 401(k) maximum contribution limit from \$17,500 to \$18,000 starting in 2015. Employers who are age 50 and older can contribute \$6,000 extra to their 401(k) as catch up contributions. That's also an increase of \$500 from the current catch up contribution amount of \$5,500.

The higher maximum contribution amount is great news for employees who maximize their 401(k) contributions already. However, just 12 percent of 401(k) participants hit the maximum contribution limit in 2014. It is difficult to save for retirement because it is so far off. But, the more you save now, the more comfortable your retirement will be. You definitely