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January 1, 2015

Dear Client;

We are now halfway through the second decade of this young century. Father time marches ever forward. Technology now dictates that it is no longer financially wise to mail our newsletters to you. We hope that you received the postcard with our website printed on both sides.

Page one and two of this newsletter show the 2014 TAX FACT SHEET. Page three refers to some of our office policies and page four details our Privacy Policy Notice and other useful information.

Obamacare is in stage two of metastasizing. Please refer to the top of page five for a few updates and reminders regarding this complex monstrosity. The bottom part of page five has some tax time helpful reminders. Page six details our latest charitable endeavor that I hope you'll support.

I miss the days when a President lead us as citizens. Now our Caesar rules us as subjects. Dedra and I endured over nine days of continuing professional education so that together you and I can navigate this "Gordian Knot" we call the tax code. We will employ Gina, our secretary, after the third week of January. Please write down the appointment time and date. She will be instructed to repeat it upon ending her conversation with you. Remember, we do not give appointment reminder calls.

During this time of reflection and resolutions, Dedra and I hope you could occasionally close your eyes, chase the world away and remember the true reason for this special season. We wish to remember our brave soldiers serving everywhere and those that preceded them wearing our country's uniform while protecting our freedoms. Have a Merry Christmas season and a healthy 2015.

Sincerely,

Barry P. Lindenbusch
President

2014 TAX FACT SHEET

. . . . **<u>THE STANDARD DEDUCTION:</u>**

Married Filing Jointly	under 65	$ 12,400
Married Filing Separately	under 65	$ 6,200
Head of Household	under 65	$ 9,100
Single	under 65	$ 6,200

The above standard deduction for those who are either 65 or legally blind is <u>increased</u> by $1200 or $1500 per person depending on filing status.

. . . . **<u>10% TAX BRACKET:</u>** is built into the tax tables for the very first dollars taxed. $9075 for single and married filing separate, $12,950 for head of household and for married filing joint the amount is $18,150.

. . . . **<u>THE TAX BRACKET FOR 2014:</u>**

Married Filing Jointly you leave the 15% bracket and enter the 25% when taxable income hits $73,800.

Married Filing Separately you leave the 15% bracket and enter the 25% when taxable income hits $36,900.

Head of Household you leave the 15% bracket and enter the 25% when taxable income hits $49,400.

Single you leave the 15% bracket and enter the 25% when taxable income hits $36,900.

. . . . **<u>THE PERSONAL EXEMPTION:</u>** for 2014 is $3950.

. . . . **<u>THE BUSINESS MILEAGE:</u>** rate for 2014 56.0 ¢ per mile

<u>THE MEDICAL MILEAGE:</u> rate for 2014 23.0 ¢ per mile

<u>THE CHARITABLE MILEAGE:</u> rate for 2014 14.0 ¢ per mile

. . . . **<u>THE SELF EMPLOYED HEALTH INSURANCE:</u>** deduction for 2014 is 100% of your premiums or net earnings from business whichever is lower. This deduction is an adjustment to income on the front of the 1040 and does not reduce FICA & Medicare. Also available to Sub Chapter S shareholders who own more than 2% of the Corporation and are covered under a group plan.

. . . . **<u>THE SECTION 179 ELECTION TO EXPENSE:</u>** 2014 maximum deduction is reinstated to $500,000.

. . . . **<u>DEPENDENT CARE CREDIT:</u>** If your AGI is between $15,000 and $43,000 you can receive a credit ranging from 20% to 35%. This amounts to $600 to $1050 if you have one child or $1200 to $2100 for 2 or more children. Remember to get the child care providers Name, Address and ID# (social security number if provider is an individual).

. . . . **<u>THE CHILD TAX CREDIT:</u>** For a child 16 and under: 2014 is $1000.00 per child.

. . . . **<u>NONBUSINESS ENERGY PROPERTY CREDIT:</u>** was reinstated for 2012 and 2013. The same rules apply as the 2006 energy credits.

. . . . **<u>MORTGAGE INSURANCE PREMIUMS</u>** : (M.I.P.) deduction was extended for 2014.

Starting in 2013

Taxes are going up and deduction caps are being reinstated for taxpayers in the upper bracket.

. . . . The top marginal income tax bracket for married taxpayers with AGI's over $450,000 is now 39.6% (up from 35%). For single taxpayers the AGI threshold is $400,000.

. . . . There is a new capital gain tax of 20% (up from 15%) using the same thresholds as the above marginal income tax brackets. This is for long term capital assets, sales and for qualified dividend income.

. . . . The Phase-out on itemized deductions and exemptions are now reinstated. For married taxpayers the threshold amount is $300,000. For single taxpayers it is $250,000 and for married filing it is $150,000.

. . . . There is now a 3.8% tax on net investment income that will hit married taxpayers with AGI's of $250,000 and single taxpayers with $200,000 AGI's.

. . . . There is a 0.9% medicare tax which apply to the same AGI threshold amounts above (net investment income tax).

See also on our website information on:
Click on <u>Useful Tax Information</u>

Earned Income Tax Credit thresholds
Who pays the Income Tax burden”
US debtclock.org

OFFICE POLICY

Lindenbusch Accounting and Tax Service, Inc. is very small and we wish to remain that way. During the income tax season which starts in mid-January and runs through mid-April, our time is a precious commodity. We've grown to the point where we need to share some guidelines with you, our valuable client. We appreciate your trust in us and hope that with these few suggestions our accounting and tax practice can operate more efficiently to better serve you. THANK YOU.

OFFICE HOURS (during tax season)

8:00 am to 7:00 pm Monday through Friday
8:00 am to 3:00 pm Saturdays after 3 pm by appointment
Sundays by appointment.

OFFICE HOURS (outside of the tax season)

By appointment only. To keep fees reasonable, we do not employ a secretary for the entire year.

APPOINTMENTS

Please ring the doorbell once and be patient, someone will show you in. Try to be on time or 5 to 10 minutes early. If you are to be more than 10 minutes late, a quick phone call would be appreciated. To reduce communication errors our secretary has been asked to repeat the appointment time, day of the week and date. To help facilitate clear and concise appointments, we suggest that you jot down your appointment. Please refer to our postcard. We do not make reminder calls. If children need to accompany you we have TV, videos, and books/magazines in the waiting room.

DROP-OFFS

Returns dropped off are WELCOME. We ask that you include a daytime, evening and/or cell phone number(s). Tell us the best time to call you.

INVOICING

If your return is dropped off and picked up later or if it is mailed back to you by us, our tax prep fee invoice will always be in the file copy folder in the left side pocket (when opened). Prompt payment would be appreciated.

TELEPHONE

Our secretary will be here from 8:30 am to 5:00 pm Monday through Friday starting just after the 3rd week of January. We would prefer that she make the appointments during those hours. To utilize her even more we ask that as many phone calls, return drop-offs and return pick-ups as possible occur during those hours. Advance appointments (November, December and January) will be taken by either Dedra or myself. Simple questions will be forwarded to one of us and we'll try to call you back as soon as possible. Limited tax planning can be done during your income tax appointment. In depth tax planning will need to be done from May through December. IF REQUESTED WE CAN SEND YOU A PERSONAL TAX ORGANIZER BASED ON LAST YEARS TAX INFORMATION. You can see at a glance all your data from last years return. If interested call to get this tax organizer prior to filing your taxes.

PRIVACY NOTICES

The Gramm-Leach Bliley Act and the Federal Trade Commission (F.T.C.) restrict the disclosure of personal financial information by us and those in our employ. Because we produce a "financial product or service" Uncle Sam is mandating that we supply you with a notice of our privacy policy. Please refer to our new website for additional privacy information.

Lindenbusch Accounting and Tax Service, Inc. has never and will never sell or give away in part or in total our clients tax returns, information, client lists, or addresses. Your confidence in us is important and we want you to know that your personal and account information is safe. If you have any questions or concerns, please contact us.

In fact we're not that crazy about faxing returns even with the consent of the client. That return can be viewed by anyone on the other end. We furnish a copy of your tax return at the time it is prepared. If you think that you will need an extra copy please inform us at that time and we'll throw another copy in for no extra charge. If at a later date you need us to make a copy to either mail, pick up or fax a fee of $20.00 per return will be charged. I really want to discourage faxing tax returns for obvious privacy reasons. Please keep the Grey folder containing the CLIENT FILE COPY of your return that we make for you. That copy has your W-2's and other source documents attached. We now have the capability to E-MAIL returns to the taxpayer(s).

How long should you keep your records? I'd keep for 5 years documents such as receipts, statements, check registers and computer hard copy. Your actual tax return I'd keep forever, it has a copy of your W-2's/1099's and often your working papers. 50 years of tax returns only take up 2 cubic feet. Any asset that you currently own, if upon sale or liquidation would create a taxable event, you need to keep the documents that show your cost basis for that asset. Depreciation schedules would fall into this category.

CHARITABLE DONATION OPPORTUNITY See also page 6

Lindenbusch Accounting and Tax Service, Inc. is participating in Parish Assistance Coalition (P.A.C.). This is a coalition of businesses that agree to donate 5% of their fees/services upon request of the client, to St. Martin's Parish. Just let us know and we will earmark your fee and forward 5% to St. Martin's Parish, facilitating the servicing of their grade-school building expansion debt. Thank you.

If you have a conceal and carry permit, you and your firearm ARE welcome in our office. This castle (your tax info) is protected by the 2nd amendment and my willingness to exercise that right. We do not outsource self defense.

For OBAMACARE

. . . . Bring Form 1095-A Health Insurance Marketplace Statement

. . . . Bring Form 1095-B Health Coverage

. . . . Bring the income of any child considered in your household

. . . . Did you have minimum essential coverage (at least Bronze) health insurance coverage in 2014. Answer this for each person in your household.

<u>We wish our clients would . . . .</u>

. . . . Arrive 5 to 10 minutes early for appointments, call if you will be more than 5 minutes late.

. . . . Bring all W-2's, 1099's and 1098T's (college tuition) with you at tax time

. . . . If your student child is under the age of 24 and is working do not let them file their own returns and claim themselves unless discussed. Also know cost of books required for college courses.

. . . . Bring real estate and personal property tax receipts.

. . . . Bring any newborn child's social security card.

. . . . Know your child's childcare providers and if new bring their name, address and ID number with you. Have total amounts per child and per provider. Also let us know if you participated in the cafeteria plan for daycare.

. . . . Look at your return in our office or when you get home. Make sure names, addresses and social security numbers are correct, number of dependents are correct and direct deposit information is correct and or updated (bank routing number and your account number).

. . . . If your return is not finished or is dropped off to us, make sure when you pick it up you review the front page (comparing it to last year's return is a good idea) and promptly sign the federal and state e-file signature forms and get them back to us. Faxing them is perfectly acceptable.

Pettis Cooper Howard Boone Callaway Montgomery Warren St. Charles
WEST EAST

CHARITY BIKE RIDE

I hassled two gentlemen from St. Martins who then volunteered to attempt another Charity Bike Ride with me. One day in June 2015 James Hentges, Daryl Raithel and myself will attempt to ride bicycles on the Katy Trail across eight counties. The area covered will start at the St. Charles trailhead on the east and start 12 miles west of Sedalia at the Green Ridge trailhead on the west for a total of two hundred (200) miles.

By the year 2019 we will have celebrated the sesquicentennial of the Pony Express and the Transcontinental Railroad as well as the past bicentennial of the Lewis and Clark Expedition. Our ride will commemorate the Pony Express and the building of the Atlantic to Pacific Railroad.

James Hentges will start in the very early morning at the St. Charles, Missouri trailhead and pedal westward. Hopefully, he reaches the Mokane trailhead before noon. Upon reaching Mokane he calls either me or Daryl who will be waiting at the Green Ridge trailhead west of Sedalia Missouri. That rider will then pedal north eastward tentatively ending at the Rocheport trailhead. The final rider will start at Rocheport and end up back in Mokane; Thus mirroring the East/West joining of the railroad while at the same time copying the relay-style aspect of the Pony Express. Seventy-five percent of our journey will be cycling the same area that the Corps of Discovery tread nearly 210 years ago.

The three of us will each solicit donations. The donations will be used to reduce the debt incurred to expand the St. Martins parochial grade school. Additionally Dedra and I will match all donations 15% through Lindenbusch Acct & Tax Service, Inc. IF... the three of us FAIL to complete this 200 mile one day ride, Dedra and I will MATCH dollar for dollar any donor contributing $200 or more (up to $500 per donor). Our Company's 15% match or any dollar for dollar match will be "Earmarked" for the St. Martin's Knights of Columbus pledge and more generally Missouri's Knights of Columbus's collective councils one million dollar pledge to the Special Olympics facility currently being built south of Columbia.

Please make checks payable to: ST. MARTINS KNIGHTS OF COLUMBUS and in the memo line write "Charity Bike Ride". Give checks to ME, JAMES HENTGES OR DARYL RAITHEL and we will forward them to John Lueckenotte (who is the treasurer of the St. Martins K of C).

Special thanks to James Hentges, who we hope will pedal 85 miles before noon, and Daryl Raithel who will either ride 61 or 53 miles.

Thank you so much for your generosity and may God Bless you.