



Hoss Financial

Sam Hoss

President

30700 Russell Ranch Rd. #250

Westlake Village

747-220-6750 x6751

sam@hossfinancial.com

2015 Key Numbers



Individual Income Tax Planning

Adoption credit

| Adoption credit | 2014 | 2015 |
|---------------------------------|-----------|-----------|
| Maximum credit | \$13,190 | \$13,400 |
| Phaseout threshold amount | \$197,880 | \$201,010 |
| Completed phaseout amount after | \$237,880 | \$241,010 |

Alternative Minimum Tax (AMT)

| Maximum AMT exemption amount | 2014 | 2015 |
|--------------------------------------------|----------|----------|
| Married filing jointly or surviving spouse | \$82,100 | \$83,400 |
| Single or head of household | \$52,800 | \$53,600 |
| Married filing separately | \$41,050 | \$41,700 |

| AMT income exemption phaseout threshold | 2014 | 2015 |
|--------------------------------------------|-----------|-----------|
| Married filing jointly or surviving spouse | \$156,500 | \$158,900 |
| Single or head of household | \$117,300 | \$119,200 |
| Married filing separately | \$78,250 | \$79,450 |

| AMT tax rate (26% rate applies to AMTI at or below amount; 28% applies to AMTI above amount) | 2014 | 2015 |
|----------------------------------------------------------------------------------------------|-----------|-----------|
| All taxpayers except married filing separately | \$182,500 | \$185,400 |
| Married filing separately | \$91,250 | \$92,700 |

Charitable deductions

| Use of auto | 2014 | 2015 |
|----------------------------------|--------|--------|
| Deductible standard mileage rate | \$0.14 | \$0.14 |

| Charitable fundraising "insubstantial benefit" limitation | 2014 | 2015 |
|-----------------------------------------------------------|---------|---------|
| Low-cost article (re: unrelated business income) | \$10.40 | \$10.50 |

| Gifts to donor in return for contribution | 2014 | 2015 |
|--------------------------------------------------|-------------|-------------|
| Token gift maximum cost ¹ | \$10.40 | \$10.50 |
| Minimum contribution amount ¹ | \$52.00 | \$52.50 |
| 2% threshold amount ² | \$104 | \$105 |

¹ Contribution is fully deductible if minimum contribution amount is met and cost of token gift does not exceed maximum

² Charitable contribution is fully deductible if the benefit received by the donor doesn't exceed the lesser of the threshold amount or 2% of the amount of the contribution

Child tax credit

| Amount of credit | 2014 | 2015 |
|-------------------------------------|-------------|-------------|
| Maximum credit per qualifying child | \$1,000 | \$1,000 |

| Phaseout -- credit reduced by \$50 for each \$1,000 or fraction thereof of MAGI over: | 2014 | 2015 |
|----------------------------------------------------------------------------------------------|-------------|-------------|
| Single | \$75,000 | \$75,000 |
| Married Filing Jointly | \$110,000 | \$110,000 |
| Married Filing Separately | \$55,000 | \$55,000 |

| Refundability -- up to specified percentage of earned income in excess of specified amount | 2014 | 2015 |
|---------------------------------------------------------------------------------------------------|-------------|-------------|
| Percentage | 15% | 15% |
| Amount | \$3,000 | \$3,000 |

Classroom expenses of elementary and secondary school teachers

| Classroom expense deduction | 2014 | 2015 |
|------------------------------------|-------------|-------------|
| Maximum above-the-line deduction | \$250 | N/A |

Earned income tax credit (EITC)

| Investment income limit | 2014 | 2015 |
|-----------------------------------------------------------------|-------------|-------------|
| Excessive investment income limit ("disqualified income limit") | \$3,350 | \$3,400 |

| Maximum amount of EITC per number of children | 2014 | 2015 |
|------------------------------------------------------|-------------|-------------|
| 0 children | \$496 | \$503 |
| 1 child | \$3,305 | \$3,359 |
| 2 children | \$5,460 | \$5,548 |
| 3 or more children | \$6,143 | \$6,242 |

| Maximum amount of earned income on which EITC is based (earned income over this amount but under the threshold phaseout amount will not change the amount of the credit received) | 2014 | 2015 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|-------------|
| 0 children | \$6,480 | \$6,580 |
| 1 child | \$9,720 | \$9,880 |
| 2 or more children | \$13,650 | \$13,870 |

| Threshold phaseout amount for joint filers per number of children | 2014 | 2015 |
|--------------------------------------------------------------------------|-------------|-------------|
| 0 children | \$13,540 | \$13,750 |
| 1 child | \$23,260 | \$23,630 |
| 2 children | \$23,260 | \$23,630 |
| 3 or more children | \$23,260 | \$23,630 |

| Threshold phaseout amount for other filers per number of children | 2014 | 2015 |
|--------------------------------------------------------------------------|-------------|-------------|
| 0 children | \$8,110 | \$8,240 |
| 1 child | \$17,830 | \$18,110 |
| 2 children | \$17,830 | \$18,110 |
| 3 or more children | \$17,830 | \$18,110 |

| Completed phaseout amount for joint filers per number of children | 2014 | 2015 |
|--------------------------------------------------------------------------|-------------|-------------|
| 0 children | \$20,020 | \$20,330 |
| 1 child | \$43,941 | \$44,651 |
| 2 children | \$49,186 | \$49,974 |
| 3 or more children | \$52,427 | \$53,267 |

| Completed phaseout amount for other filers per number of children | 2014 | 2015 |
|-------------------------------------------------------------------|----------|----------|
| 0 children | \$14,590 | \$14,820 |
| 1 child | \$38,511 | \$39,131 |
| 2 children | \$43,756 | \$44,454 |
| 3 or more children | \$46,997 | \$47,747 |

Expatriation

| Covered expatriate | 2014 | 2015 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|-----------|
| An individual with "average annual net income tax" of more than this amount for the five taxable years ending before his or her loss of citizenship is a covered expatriate for the purposes of IRC §877A(g)(1) | \$157,000 | \$160,000 |
| IRC §877A(3) exclusion amount | \$680,000 | \$690,000 |

Foreign earned income

| Amount excluded from income | 2014 | 2015 |
|-----------------------------|----------|-----------|
| Exclusion amount | \$99,200 | \$100,800 |

Itemized deductions

| Phaseout threshold | 2014 | 2015 |
|---------------------------|-----------|-----------|
| Married filing jointly | \$305,050 | \$309,900 |
| Head of household | \$279,650 | \$284,050 |
| Unmarried | \$254,200 | \$258,250 |
| Married filing separately | \$152,525 | \$154,950 |

Kiddie tax

| Unearned income limit | 2014 | 2015 |
|---------------------------------------------------------|---------|---------|
| Amount exempt from tax | \$1,000 | \$1,050 |
| Additional amount taxed at child's rate | \$1,000 | \$1,050 |
| Unearned income over this amount taxed at parent's rate | \$2,000 | \$2,100 |

| Parent's election | 2014 | 2015 |
|-------------------------------------------------------------------------------------------|--------------------|--------------------|
| Election to include child's income on parent's return -- child's gross income requirement | \$1,000 - \$10,000 | \$1,050 - \$10,500 |

| AMT | 2014 | 2015 |
|-----------------------------------------------|-------------------------------------------------------|-------------------------------------------------------|
| AMT exemption for child subject to kiddie tax | Lesser of \$7,250 + child's earned income or \$52,800 | Lesser of \$7,400 + child's earned income or \$53,600 |

Medicare tax (additional payroll tax and unearned income contribution tax)

| Payroll tax | 2014 | 2015 |
|---------------------------------------------------------------------------|-------------|-------------|
| Additional Medicare payroll tax (and self-employment tax) percentage rate | 0.90% | 0.90% |

| Applies to wages/self-employment income exceeding | 2014 | 2015 |
|----------------------------------------------------------|-------------|-------------|
| Individuals | \$200,000 | \$200,000 |
| Married filing jointly | \$250,000 | \$250,000 |
| Married filing separately | \$125,000 | \$125,000 |

| Tax on unearned income | 2014 | 2015 |
|------------------------------------------------|-------------|-------------|
| Unearned income Medicare contribution tax rate | 3.80% | 3.80% |

| Applies to lesser of (a) net investment income or (b) modified adjusted gross income exceeding | 2014 | 2015 |
|-------------------------------------------------------------------------------------------------------|-------------|-------------|
| Individuals | \$200,000 | \$200,000 |
| Married filing jointly | \$250,000 | \$250,000 |
| Married filing separately | \$125,000 | \$125,000 |

Nanny tax

| Compensation threshold | 2014 | 2015 |
|--------------------------------------|-------------|-------------|
| Domestic employee coverage threshold | \$1,900 | \$1,900 |

Personal exemption amount

| Amount | 2014 | 2015 |
|---------------------------|---------|---------|
| Personal exemption amount | \$3,950 | \$4,000 |

| Married filing jointly | 2014 | 2015 |
|---------------------------------|-----------|-----------|
| Phaseout threshold amount | \$305,050 | \$309,900 |
| Completed phaseout amount after | \$427,550 | \$432,400 |

| Head of household | 2014 | 2015 |
|---------------------------------|-----------|-----------|
| Phaseout threshold amount | \$279,650 | \$284,050 |
| Completed phaseout amount after | \$402,150 | \$406,550 |

| Unmarried | 2014 | 2015 |
|---------------------------------|-----------|-----------|
| Phaseout threshold amount | \$254,200 | \$258,250 |
| Completed phaseout amount after | \$376,700 | \$380,750 |

| Married filing separately | 2014 | 2015 |
|---------------------------------|-----------|-----------|
| Phaseout threshold amount | \$152,525 | \$154,950 |
| Completed phaseout amount after | \$213,775 | \$216,200 |

"Saver's Credit"

| Elective Deferrals and IRA Contributions by Certain Individuals | 2014 | 2015 |
|-----------------------------------------------------------------|---------|---------|
| Maximum credit amount | \$1,000 | \$1,000 |

| Applicable percentage of 50% applies to AGI | 2014 | 2015 |
|---------------------------------------------|----------------|----------------|
| Joint Return | \$0 - \$36,000 | \$0 - \$36,500 |
| Head of Household | \$0 - \$27,000 | \$0 - \$27,375 |
| Other | \$0 - \$18,000 | \$0 - \$18,250 |

| Applicable percentage of 20% applies to AGI | 2014 | 2015 |
|---------------------------------------------|---------------------|---------------------|
| Joint Return | \$36,001 - \$39,000 | \$36,501 - \$39,500 |
| Head of Household | \$27,001 - \$29,250 | \$27,376 - \$29,625 |
| Other | \$18,001 - \$19,500 | \$18,251 - \$19,750 |

| Applicable percentage of 10% applies to AGI | 2014 | 2015 |
|----------------------------------------------------|---------------------|---------------------|
| Joint Return | \$39,001 - \$60,000 | \$39,501 - \$61,000 |
| Head of Household | \$29,251 - \$45,000 | \$29,626 - \$45,750 |
| Other | \$19,501 - \$30,000 | \$19,751 - \$30,500 |

| Applicable percentage of 0% applies to AGI | 2014 | 2015 |
|---------------------------------------------------|---------------|---------------|
| Joint Return | Over \$60,000 | Over \$61,000 |
| Head of Household | Over \$45,000 | Over \$45,750 |
| Other | Over \$30,000 | Over \$30,500 |

Standard deductions

| Amounts | 2014 | 2015 |
|----------------------------------------------------------------------|----------------------------------------------|---------------------------------------------|
| Married filing jointly or surviving spouse | \$12,400 | \$12,600 |
| Head of household | \$9,100 | \$9,250 |
| Unmarried | \$6,200 | \$6,300 |
| Married filing separately | \$6,200 | \$6,300 |
| Dependent | Greater of \$1,000, or \$350 + earned income | Greater of \$1,050 or \$350 + earned income |
| Additional deduction for aged or blind (single or head of household) | \$1,550 | \$1,550 |
| Additional deduction for aged or blind (all other filing statuses) | \$1,200 | \$1,250 |

Standard mileage rates

| Applicable rates | 2014 | 2015 |
|----------------------------------------------------|-------------|-------------|
| Use of auto for business purposes (cents per mile) | \$0.56 | \$0.575 |
| Use of auto for medical purposes (cents per mile) | \$0.235 | \$0.23 |
| Use of auto for moving purposes (cents per mile) | \$0.235 | \$0.23 |



2015 Federal Income Tax Rate Schedules (Individuals, Trusts, and Estates)

Single taxpayers

| If taxable income is: | Your tax is: |
|-----------------------------|---------------------------------------------------|
| Not over \$9,225 | 10% of taxable income |
| Over \$9,225 to \$37,450 | \$922.50 + 15% of the excess over \$9,225 |
| Over \$37,450 to \$90,750 | \$5,156.25 + 25% of the excess over \$37,450 |
| Over \$90,750 to \$189,300 | \$18,481.25 + 28% of the excess over \$90,750 |
| Over \$189,300 to \$411,500 | \$46,075.25 + 33% of the excess over \$189,300 |
| Over \$411,500 to \$413,200 | \$119,401.25 + 35% of the excess over \$411,500 |
| Over \$413,200 | \$119,996.25 + 39.6% of the excess over \$413,200 |

Married filing jointly and surviving spouses

| If taxable income is: | Your tax is: |
|-----------------------------|---------------------------------------------------|
| Not over \$18,450 | 10% of taxable income |
| Over \$18,450 to \$74,900 | \$1,845 + 15% of the excess over \$18,450 |
| Over \$74,900 to \$151,200 | \$10,312.50 + 25% of the excess over \$74,900 |
| Over \$151,200 to \$230,450 | \$29,387.50 + 28% of the excess over \$151,200 |
| Over \$230,450 to \$411,500 | \$51,577.50 + 33% of the excess over \$230,450 |
| Over \$411,500 to \$464,850 | \$111,324 + 35% of the excess over \$411,500 |
| Over \$464,850 | \$129,996.50 + 39.6% of the excess over \$464,850 |

Married individuals filing separately

| If taxable income is: | Your tax is: |
|-----------------------------|--------------------------------------------------|
| Not over \$9,225 | 10% of taxable income |
| Over \$9,225 to \$37,450 | \$922.50 + 15% of the excess over \$9,225 |
| Over \$37,450 to \$75,600 | \$5,156.25 + 25% of the excess over \$37,450 |
| Over \$75,600 to \$115,225 | \$14,693.75 + 28% of the excess over \$75,600 |
| Over \$115,225 to \$205,750 | \$25,788.75 + 33% of the excess over \$115,225 |
| Over \$205,750 to \$232,425 | \$55,662 + 35% of the excess over \$205,750 |
| Over \$232,425 | \$64,998.25 + 39.6% of the excess over \$232,425 |

Heads of household

| If taxable income is: | Your tax is: |
|-----------------------------|------------------------------------------------|
| Not over \$13,150 | 10% of taxable income |
| Over \$13,150 to \$50,200 | \$1,315 + 15% of the excess over \$13,150 |
| Over \$50,200 to \$129,600 | \$6,872.50 + 25% of the excess over \$50,200 |
| Over \$129,600 to \$209,850 | \$26,722.50 + 28% of the excess over \$129,600 |
| Over \$209,850 to \$411,500 | \$49,192.50 + 33% of the excess over \$209,850 |
| Over \$411,500 to \$439,000 | \$115,737 + 35% of the excess over \$411,500 |
| Over \$439,000 | \$125,362 + 39.6% of the excess over \$439,000 |

Trusts and estates

| If taxable income is: | Your tax is: |
|--------------------------|------------------------------------------------|
| Not over \$2,500 | 15% of taxable income |
| Over \$2,500 to \$5,900 | \$375 + 25% of the excess over \$2,500 |
| Over \$5,900 to \$9,050 | \$1,225 + 28% of the excess over \$5,900 |
| Over \$9,050 to \$12,300 | \$2,107 + 33% of the excess over \$9,050 |
| Over \$12,300 | \$3,179.50 + 39.6% of the excess over \$12,300 |



2014 Federal Income Tax Rate Schedules (Individuals, Trusts, and Estates)

Single taxpayers

| If taxable income is: | Your tax is: |
|-----------------------------|---------------------------------------------------|
| Not over \$9,075 | 10% of taxable income |
| Over \$9,075 to \$36,900 | \$907.50 + 15% of the excess over \$9,075 |
| Over \$36,900 to \$89,350 | \$5,081.25 + 25% of the excess over \$36,900 |
| Over \$89,350 to \$186,350 | \$18,193.75 + 28% of the excess over \$89,350 |
| Over \$186,350 to \$405,100 | \$45,353.75 + 33% of the excess over \$186,350 |
| Over \$405,100 to \$406,750 | \$117,541.25 + 35% of the excess over \$405,100 |
| Over \$406,750 | \$118,118.75 + 39.6% of the excess over \$406,750 |

Married filing jointly and surviving spouses

| If taxable income is: | Your tax is: |
|-----------------------------|---------------------------------------------------|
| Not over \$18,150 | 10% of taxable income |
| Over \$18,150 to \$73,800 | \$1,815 + 15% of the excess over \$18,150 |
| Over \$73,800 to \$148,850 | \$10,162.50 + 25% of the excess over \$73,800 |
| Over \$148,850 to \$226,850 | \$28,925 + 28% of the excess over \$148,850 |
| Over \$226,850 to \$405,100 | \$50,765 + 33% of the excess over \$226,850 |
| Over \$405,100 to \$457,600 | \$109,587.50 + 35% of the excess over \$405,100 |
| Over \$457,600 | \$127,962.50 + 39.6% of the excess over \$457,600 |

Married individuals filing separately

| If taxable income is: | Your tax is: |
|-----------------------------|--------------------------------------------------|
| Not over \$9,075 | 10% of taxable income |
| Over \$9,075 to \$36,900 | \$907.50 + 15% of the excess over \$9,075 |
| Over \$36,900 to \$74,425 | \$5,081.25 + 25% of the excess over \$36,900 |
| Over \$74,425 to \$113,425 | \$14,462.50 + 28% of the excess over \$74,425 |
| Over \$113,425 to \$202,550 | \$25,382.50 + 33% of the excess over \$113,425 |
| Over \$202,550 to \$228,800 | \$54,793.75 + 35% of the excess over \$202,550 |
| Over \$228,800 | \$63,981.25 + 39.6% of the excess over \$228,800 |

Heads of household

| If taxable income is: | Your tax is: |
|-----------------------------|------------------------------------------------|
| Not over \$12,950 | 10% of taxable income |
| Over \$12,950 to \$49,400 | \$1,295 + 15% of the excess over \$12,950 |
| Over \$49,400 to \$127,550 | \$6,762.50 + 25% of the excess over \$49,400 |
| Over \$127,550 to \$206,600 | \$26,300 + 28% of the excess over \$127,550 |
| Over \$206,600 to \$405,100 | \$48,434 + 33% of the excess over \$206,600 |
| Over \$405,100 to \$432,200 | \$113,939 + 35% of the excess over \$405,100 |
| Over \$432,200 | \$123,424 + 39.6% of the excess over \$432,200 |

Trusts and estates

| If taxable income is: | Your tax is: |
|--------------------------|------------------------------------------------|
| Not over \$2,500 | 15% of taxable income |
| Over \$2,500 to \$5,800 | \$375 + 25% of the excess over \$2,500 |
| Over \$5,800 to \$8,900 | \$1,200 + 28% of the excess over \$5,800 |
| Over \$8,900 to \$12,150 | \$2,068 + 33% of the excess over \$8,900 |
| Over \$12,150 | \$3,140.50 + 39.6% of the excess over \$12,150 |



Business Planning

Adoption Assistance Programs

| Adoption assistance | 2014 | 2015 |
|------------------------------------------------------------------|-----------|-----------|
| Maximum amount that can be excluded from employee's gross income | \$13,190 | \$13,400 |
| Phaseout threshold amount | \$197,880 | \$201,010 |
| Completed phaseout amount after | \$237,880 | \$241,010 |

Earnings subject to FICA taxes (taxable wage base)

| FICA tax | 2014 | 2015 |
|----------------------------------------------------------|---------------------|---------------------|
| Maximum annual earnings subject to Social Security taxes | \$117,000 | \$118,500 |
| Social Security and Medicare combined tax rate | 15.30% ¹ | 15.30% ¹ |
| OASDI portion (Social Security) | 12.40% | 12.40% |
| Hospital Insurance portion (Medicare) | 2.90% ¹ | 2.90% ¹ |

¹ An additional Medicare (HI) employee contribution rate of 0.9% (for a total employee contribution of 2.35%, and a total combined Medicare contribution rate of 3.8%) is assessed on wages exceeding \$200,000 (\$250,000 for married couples filing joint returns, \$125,000 for married individuals filing separate returns). For married individuals filing joint returns, the additional 0.9% tax applies to the couples combined wages (to the extent the combined wages exceed \$250,000).

Health insurance deduction for self-employed

| Health insurance premiums | 2014 | 2015 |
|-----------------------------------------------------------------------|------|------|
| Deduction for health insurance premiums paid by self-employed persons | 100% | 100% |

Qualified transportation fringe benefits

| Qualified transportation fringe benefits | 2014 | 2015 |
|---------------------------------------------------------------------------|-------|-------|
| Commuter vehicles and transit pass monthly exclusion amount | \$250 | \$130 |
| Qualified parking monthly exclusion amount | \$250 | \$250 |
| Qualified bicycle commuting reimbursement fringe benefit (monthly amount) | \$20 | \$20 |

Section 179 expensing

| Section 179 expensing | 2014 | 2015 |
|--------------------------------------------------------------------------------------------------------------------------|-------------|-----------|
| Maximum amount that may be deducted under IRC Section 179 | \$500,000 | \$25,000 |
| Deduction reduced by the amount by which the cost of §179 property placed in service during the year exceeds this amount | \$2,000,000 | \$200,000 |

Small business tax credit for providing health-care coverage

| Amount of credit | 2014 | 2015 |
|---------------------------|------|------|
| Maximum credit percentage | 50% | 50% |

| Partial credit | 2014 | 2015 |
|-------------------------------------------------------------|----------|----------|
| Number of full-time equivalent employees (FTEs) fewer than: | 25 | 25 |
| Maximum average annual wages less than: | \$50,800 | \$51,600 |

| Full credit | 2014 | 2015 |
|---------------------------------------------------------------|----------|----------|
| Number of full-time equivalent employees (FTEs) no more than: | 10 | 10 |
| Maximum average annual wages less than or equal to: | \$25,400 | \$25,800 |

Special additional first-year depreciation allowance

| Bonus depreciation | 2014 | 2015 |
|----------------------------------------------------------------------------------------------------------|------|------|
| "Bonus" depreciation for qualified property acquired and placed in service during specified time periods | 50% | N/A |

Standard mileage rate (per mile)

| Business use of auto | 2014 | 2015 |
|-----------------------------------|---------|---------|
| Use of auto for business purposes | \$0.565 | \$0.575 |

Tax on accumulated earnings and personal holding company income

| Accumulated earnings and personal holding company income | 2014 | 2015 |
|----------------------------------------------------------|------|------|
| Maximum tax on these items | 20% | 20% |



Education Planning

Coverdell education savings accounts (formerly known as education IRAs)

| Coverdell ESAs | 2014 | 2015 |
|---------------------------|---------|---------|
| Annual contribution limit | \$2,000 | \$2,000 |

| MAGI phaseout range for Coverdell education savings accounts | 2014 | 2015 |
|--------------------------------------------------------------|-----------|-----------|
| Single--phaseout threshold amount | \$95,000 | \$95,000 |
| Single--completed phaseout amount after | \$110,000 | \$110,000 |
| Married filing jointly--phaseout threshold amount | \$190,000 | \$190,000 |
| Married filing jointly--completed phaseout threshold amount | \$220,000 | \$220,000 |

Deduction for qualified higher education expenses

| Higher education expenses | 2014 | 2015 |
|---------------------------|---------|------|
| Maximum deduction | \$4,000 | N/A |

| MAGI maximum for full \$4,000 deduction | 2014 | 2015 |
|-----------------------------------------|-----------|------|
| Single | \$65,000 | N/A |
| Married filing jointly | \$130,000 | N/A |

| Reduced deduction | 2014 | 2015 |
|-----------------------------|---------|------|
| Reduced deduction available | \$2,000 | N/A |

| MAGI range for \$2,000 deduction | 2014 | 2015 |
|-------------------------------------------|----------|------|
| Single--MAGI greater than this amount: | \$65,000 | N/A |
| Single--MAGI does not exceed this amount: | \$80,000 | N/A |

| | | |
|-----------------------------------------------------------|-----------|-----|
| Married filing jointly--MAGI greater than this amount: | \$130,000 | N/A |
| Married filing jointly--MAGI does not exceed this amount: | \$160,000 | N/A |

Education loans--interest deduction

| Education loan interest deduction | 2014 | 2015 |
|------------------------------------------------------------------|---------|---------|
| Maximum deduction for interest paid on qualified education loans | \$2,500 | \$2,500 |

| MAGI phaseout range | 2014 | 2015 |
|---------------------------------------------------------|-----------|-----------|
| Single--phaseout threshold amount | \$65,000 | \$65,000 |
| Single--completed phaseout amount after | \$80,000 | \$80,000 |
| Married filing jointly--phaseout threshold amount | \$130,000 | \$130,000 |
| Married filing jointly--completed phaseout amount after | \$160,000 | \$160,000 |

Gift tax exclusion

| Gift tax | 2014 | 2015 |
|----------------------------------------------|-----------|-----------|
| Annual gift tax exclusion--single individual | \$14,000 | \$14,000 |
| Annual gift tax exclusion--joint gift | \$28,000 | \$28,000 |
| Lump-sum gift to 529 plan--single individual | \$70,000 | \$70,000 |
| Lump-sum gift to 529 plan--joint gift | \$140,000 | \$140,000 |

Kiddie tax

| Kiddie tax | 2014 | 2015 |
|-------------------------------------------------------------------------------------------------|---------|---------|
| Generally, children pay federal income tax at their parents' rate on any investment income over | \$2,000 | \$2,100 |

American Opportunity¹ and Lifetime Learning Credits

| Education credits | 2014 | 2015 |
|-------------------------------------|---------|---------|
| Maximum Lifetime Learning credit | \$2,000 | \$2,000 |
| Maximum American Opportunity credit | \$2,500 | \$2,500 |

¹ For 2010 through 2017, the Hope credit is renamed the American Opportunity tax credit

| MAGI phaseout range for Lifetime Learning credit | 2014 | 2015 |
|---------------------------------------------------------|-----------|-----------|
| Single--phaseout threshold amount | \$54,000 | \$55,000 |
| Single--completed phaseout amount after | \$64,000 | \$65,000 |
| Married filing jointly--phaseout threshold amount | \$108,000 | \$110,000 |
| Married filing jointly--completed phaseout amount after | \$128,000 | \$130,000 |

| MAGI phaseout range for American Opportunity credit | 2014 | 2015 |
|---------------------------------------------------------|-----------|-----------|
| Single--phaseout threshold amount | \$80,000 | \$80,000 |
| Single--completed phaseout amount after | \$90,000 | \$90,000 |
| Married filing jointly--phaseout threshold amount | \$160,000 | \$160,000 |
| Married filing jointly--completed phaseout amount after | \$180,000 | \$180,000 |

U.S. savings bonds--interest exclusion for higher education expenses

| Joint returns | 2014 | 2015 |
|--------------------------------------|-----------|-----------|
| Phaseout threshold for joint returns | \$113,950 | \$115,750 |
| Completed phaseout amount after | \$143,950 | \$145,750 |

| Other returns | 2014 | 2015 |
|--------------------------------------|----------|----------|
| Phaseout threshold for other returns | \$76,000 | \$77,200 |
| Completed phaseout amount after | \$91,000 | \$92,200 |



Protection Planning

Eligible long-term care premium deduction limits:

| LTC premium deduction limits | 2014 | 2015 |
|------------------------------|---------|---------|
| Age 40 or under | \$370 | \$380 |
| Age 41-50 | \$700 | \$710 |
| Age 51-60 | \$1,400 | \$1,430 |
| Age 61-70 | \$3,720 | \$3,800 |
| Over age 70 | \$4,660 | \$4,750 |

Per diem limit:

| LTC periodic payments | 2014 | 2015 |
|---------------------------------------------------------------------------------|-------|-------|
| Periodic payments for qualified long-term care insurance/certain life insurance | \$330 | \$330 |

Archer Medical Savings Accounts

| High deductible health plan--self-only coverage | 2014 | 2015 |
|------------------------------------------------------------------------------------------|---------|---------|
| Annual deductible--minimum | \$2,200 | \$2,200 |
| Annual deductible--maximum | \$3,250 | \$3,300 |
| Annual out-of-pocket expenses required to be paid (other than for premiums) can't exceed | \$4,350 | \$4,450 |

| High deductible health plan--family coverage | 2014 | 2015 |
|------------------------------------------------------------------------------------------|---------|---------|
| Annual deductible--minimum | \$4,350 | \$4,450 |
| Annual deductible--maximum | \$6,550 | \$6,650 |
| Annual out-of-pocket expenses required to be paid (other than for premiums) can't exceed | \$8,000 | \$8,150 |

Flexible spending account (FSA) for health care

| Health care FSAs | 2014 | 2015 |
|---------------------------------------|---------|---------|
| Maximum salary reduction contribution | \$2,500 | \$2,550 |

Health Savings Accounts (HSAs)

| Annual contribution limit | 2014 | 2015 |
|---------------------------|---------|---------|
| Self-only coverage | \$3,300 | \$3,350 |
| Family coverage | \$6,550 | \$6,650 |

| High deductible health plan--self-only coverage | 2014 | 2015 |
|------------------------------------------------------------------------------------------|---------|---------|
| Annual deductible--minimum | \$1,250 | \$1,300 |
| Annual out-of-pocket expenses required to be paid (other than for premiums) can't exceed | \$6,350 | \$6,450 |

| High deductible health plan--family coverage | 2014 | 2015 |
|------------------------------------------------------------------------------------------|----------|----------|
| Annual deductible--minimum | \$2,500 | \$2,600 |
| Annual out-of-pocket expenses required to be paid (other than for premiums) can't exceed | \$12,700 | \$12,900 |

| Catch-up contributions | 2014 | 2015 |
|--------------------------------------------------------------------|---------|---------|
| Annual catch-up contribution limit for individuals age 55 or older | \$1,000 | \$1,000 |



Estate Planning

| Key indexed figures | 2014 | 2015 |
|-----------------------------------------------------------------------------------|----------------------------------|----------------------------------|
| Annual gift exclusion: | \$14,000 | \$14,000 |
| Gift and estate tax applicable exclusion amount: | \$5,340,000 + DSUEA ¹ | \$5,430,000 + DSUEA ¹ |
| Noncitizen spouse annual gift exclusion: | \$145,000 | \$147,000 |
| Generation-skipping transfer (GST) tax exemption: | \$5,340,000 ² | \$5,430,000 ² |
| Special use valuation limit (qualified real property in decedent's gross estate): | \$1,090,000 | \$1,100,000 |

¹ Basic exclusion amount plus deceased spousal unused exclusion amount (exclusion is portable for 2011 and later years)

² The GST tax exemption is not portable

2014 and 2015 gift and estate tax rate schedule

| Taxable Estate | Tentative Tax Equals | Plus | Of Amount Over |
|-----------------------------------------------------------------------|-----------------------------------------------------------------------|------|----------------|
| 0 - \$10,000 | \$0 | 18% | \$0 |
| \$10,000 - \$20,000 | \$1,800 | 20% | \$10,000 |
| \$20,000 - \$40,000 | \$3,800 | 22% | \$20,000 |
| \$40,000 - \$60,000 | \$8,200 | 24% | \$40,000 |
| \$60,000 - \$80,000 | \$13,000 | 26% | \$60,000 |
| \$80,000 - \$100,000 | \$18,200 | 28% | \$80,000 |
| \$100,000 - \$150,000 | \$23,800 | 30% | \$100,000 |
| \$150,000 - \$250,000 | \$38,800 | 32% | \$150,000 |
| \$250,000 - \$500,000 | \$70,800 | 34% | \$250,000 |
| \$500,000 - \$750,000 | \$155,800 | 37% | \$500,000 |
| \$750,000 - \$1,000,000 | \$248,300 | 39% | \$750,000 |
| \$1,000,000 + | \$345,800 | 40% | \$1,000,000 |
| Credit shelter amount \$5,340,000 in 2014, \$5,430,000 in 2015 | Unified credit amount \$2,081,800 in 2014, \$2,117,800 in 2015 | | |



Government Benefits

Social Security

| Social Security Cost-of-living adjustment (COLA) | 2014 | 2015 |
|--------------------------------------------------------------------------|-------|-------|
| For Social Security and Supplemental Security Income (SSI) beneficiaries | 1.50% | 1.70% |

| Tax rate--employee | 2014 | 2015 |
|----------------------------------------|--------------------|--------------------|
| FICA tax -- Employee | 7.65% | 7.65% |
| Social Security (OASDI) portion of tax | 6.20% | 6.20% |
| Medicare (HI) portion of tax | 1.45% ¹ | 1.45% ¹ |

| Tax rate--self-employed | 2014 | 2015 |
|----------------------------------------|--------------------|--------------------|
| Self-Employed | 15.30% | 15.30% |
| Social Security (OASDI) portion of tax | 12.40% | 12.40% |
| Medicare (HI) portion of tax | 2.90% ¹ | 2.90% ¹ |

¹ An additional 0.9% Medicare/hospital insurance tax (for a total employee contribution of 2.35%) is assessed on wages exceeding \$200,000 (\$250,000 for married couples filing joint returns, \$125,000 for married individuals filing separate returns). An additional 0.9% Medicare/hospital insurance tax (for a total Medicare portion of 3.8%) is assessed on self-employment income exceeding \$200,000 (\$250,000 for married couples filing joint returns, \$125,000 for married individuals filing separate returns).

| Maximum taxable earnings | 2014 | 2015 |
|------------------------------|-----------|-----------|
| Social Security (OASDI only) | \$117,000 | \$118,500 |
| Medicare (HI only) | No limit | No limit |

| Quarter of coverage | 2014 | 2015 |
|---------------------|---------|---------|
| Earnings required | \$1,200 | \$1,220 |

| Retirement earnings test--exempt amounts--Under full retirement age--Benefits reduced by \$1 for each \$2 earned above: | 2014 | 2015 |
|-------------------------------------------------------------------------------------------------------------------------|----------|----------|
| Yearly figure | \$15,480 | \$15,720 |
| Monthly figure | \$1,290 | \$1,310 |

| Retirement earnings test--exempt amounts--Year individual reaches full retirement age--Benefits reduced by \$1 for each \$3 earned above (applies only to earnings for months prior to attaining full retirement age): | 2014 | 2015 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|-------------|
| Yearly figure | \$41,400 | \$41,880 |
| Monthly figure | \$3,450 | \$3,490 |

| Retirement earnings test--exempt amounts--Beginning the month individual attains full retirement age | 2014 | 2015 |
|-------------------------------------------------------------------------------------------------------------|----------------------|----------------------|
| | No limit on earnings | No limit on earnings |

| Social Security disability thresholds | 2014 | 2015 |
|---------------------------------------------------------------------|-------------|-------------|
| Substantial gainful activity (SGA) for the sighted (monthly figure) | \$1,070 | \$1,090 |
| Substantial gainful activity for the blind (monthly figure) | \$1,800 | \$1,820 |
| Trial work period (TWP) (monthly figure) | \$770 | \$780 |

| SSI federal payment standard | 2014 | 2015 |
|-------------------------------------|-------------|-------------|
| Individual (monthly figure) | \$721 | \$733 |
| Couple (monthly figure) | \$1,082 | \$1,100 |

| SSI resource limits | 2014 | 2015 |
|----------------------------|-------------|-------------|
| Individual | \$2,000 | \$2,000 |
| Couple | \$3,000 | \$3,000 |

| SSI student exclusion limits | 2014 | 2015 |
|-------------------------------------|-------------|-------------|
| Monthly limit | \$1,750 | \$1,780 |
| Annual limit | \$7,060 | \$7,180 |

| Maximum Social Security benefit | 2014 | 2015 |
|---------------------------------------------------------|-------------|-------------|
| Worker retiring at full retirement age (monthly figure) | \$2,642 | \$2,663 |

| Formula for Monthly Primary Insurance Amount (PIA) | 2014 | 2015 |
|--------------------------------------------------------------------------------------|-------------------|-------------------|
| (90% of first X of AIME + 32% of the AIME over X and through Y + 15% of AIME over Y) | X=\$816 Y=\$4,917 | X=\$826 Y=\$4,980 |

Medicare

| Medicare monthly premium amounts--Part A (hospital insurance) premium | 2014 | 2015 |
|------------------------------------------------------------------------------------------------------------------------------------------|-------------|-------------|
| Individuals with 40 or more quarters of Medicare-covered employment | \$0 | \$0 |
| Individuals with less than 40 quarters of Medicare-covered employment who are not otherwise eligible for premium-free hospital insurance | Up to \$426 | Up to \$407 |

| Medicare monthly premium amounts--Part B (medical insurance) monthly premium--for beneficiaries who file an individual income tax return with income that is: | 2014 | 2015 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|-------------|
| Less than or equal to \$85,000 | \$104.90 | \$104.90 |
| \$85,001 - \$107,000 | \$146.90 | \$146.90 |
| \$107,001 - \$160,000 | \$209.80 | \$209.80 |
| \$160,001 - \$214,000 | \$272.70 | \$272.70 |
| Greater than \$214,000 | \$335.70 | \$335.70 |

| Medicare monthly premium amounts--Part B (medical insurance) monthly premium--for beneficiaries who file a joint income tax return with income that is: | 2014 | 2015 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|-------------|
| Less than or equal to \$170,000 | \$104.90 | \$104.90 |
| \$170,001 - \$214,000 | \$146.90 | \$146.90 |
| \$214,001 - \$320,000 | \$209.80 | \$209.80 |
| \$320,001 - \$428,000 | \$272.70 | \$272.70 |
| Greater than \$428,000 | \$335.70 | \$335.70 |

| Medicare monthly premium amounts--Part B (medical insurance) monthly premium--for beneficiaries who are married, but file a separate tax return from their spouse and lived with spouse at some time during the taxable year with income that is: | 2014 | 2015 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|-------------|
| Less than or equal to \$85,000 | \$104.90 | \$104.90 |
| \$85,001 - \$129,000 | \$272.70 | \$272.70 |
| Greater than \$129,000 | \$335.70 | \$335.70 |

| Original Medicare plan deductible and coinsurance amounts--Part A (hospital insurance) | 2014 | 2015 |
|---------------------------------------------------------------------------------------------------------------------------|-------------|-------------|
| Deductible per benefit period | \$1,216 | \$1,260 |
| Coinsurance per day for 61st to 90th day of each benefit period | \$304 | \$315 |
| Coinsurance per day for 91st to 150th day for each lifetime reserve day (total of 60 lifetime reserve days--nonrenewable) | \$608 | \$630 |

| Original Medicare plan deductible and coinsurance amounts | 2014 | 2015 |
|-------------------------------------------------------------------------------------------|-------------|-------------|
| Skilled nursing facility coinsurance per day for 21st to 100th day of each benefit period | \$152.00 | \$157.50 |

| Original Medicare plan deductible and coinsurance amounts--Part B (medical insurance) annual deductible | 2014 | 2015 |
|----------------------------------------------------------------------------------------------------------------|-------------|-------------|
| Individual pays 20 percent of the Medicare-approved amount for services after deductible is met | \$147 | \$147 |

Medicaid

| Income threshold | 2014 | 2015 |
|--------------------------------------------------------------------------|-------------|-------------|
| Monthly income threshold for income-cap states ("300 percent cap limit") | \$2,163 | \$2,199 |



| Monthly maintenance needs allowance for at-home spouse | 2014 | 2015 |
|--------------------------------------------------------|------------|------------|
| Minimum ² | \$1,938.75 | \$1,966.25 |
| Maximum | \$2,931 | \$2,980.50 |

| Spousal resource allowance | 2014 | 2015 |
|----------------------------|-----------|-----------|
| Minimum | \$23,448 | \$23,844 |
| Maximum | \$117,240 | \$119,220 |

² Amounts listed actually effective as of July of prior year; different amounts apply to Alaska and Hawaii.

Retirement Planning

Employee/individual contribution limits

| Elective deferral limits | 2014 | 2015 |
|--------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------|----------------------------------------------------------|
| 401(k) plans, 403(b) plans, 457(b) plans, and SAR-SEPs ¹ (Includes Roth 401(k) and Roth 403(b) contributions) | Lesser of \$17,500 or 100% of participant's compensation | Lesser of \$18,000 or 100% of participant's compensation |
| SIMPLE 401(k) plans and SIMPLE IRA plans ¹ | Lesser of \$12,000 or 100% of participant's compensation | Lesser of \$12,500 or 100% of participant's compensation |

¹ Must aggregate employee contributions to all 401(k), 403(b), SAR-SEP, and SIMPLE plans of all employers. 457(b) plan contributions are not aggregated. For SAR-SEPs, the percentage limit is 25% of compensation reduced by elective deferrals (effectively, a 20% maximum contribution).

| IRA contribution limits | 2014 | 2015 |
|-------------------------|--------------------------------------------|--------------------------------------------|
| Traditional IRAs | Lesser of \$5,500 or 100% of earned income | Lesser of \$5,500 or 100% of earned income |
| Roth IRAs | Lesser of \$5,500 or 100% of earned income | Lesser of \$5,500 or 100% of earned income |

| Additional "catch-up" limits (individuals age 50 or older) | 2014 | 2015 |
|---------------------------------------------------------------------|---------|---------|
| 401(k) plans, 403(b) plans, 457(b) plans, and SAR-SEPs ² | \$5,500 | \$6,000 |
| SIMPLE 401(k) plans and SIMPLE IRA plans | \$2,500 | \$3,000 |
| IRAs (traditional and Roth) | \$1,000 | \$1,000 |

² Special catch-up limits may also apply to 403(b) and 457(b) plan participants.

Employer contribution/benefit³ limits

| Defined benefit plan limits | 2014 | 2015 |
|-------------------------------------------|-----------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|
| Annual contribution limit per participant | No predetermined limit. Contributions based on amount needed to fund promised benefits | No predetermined limit. Contributions based on amount needed to fund promised benefits |
| Annual benefit limit per participant | Lesser of \$210,000 or 100% of average compensation for highest three consecutive years | Lesser of \$210,000 or 100% of average compensation for highest three consecutive years |

| Defined contribution plan limits (qualified plans, 403(b) plans, SEP, and SIMPLE plans) | 2014 | 2015 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Annual addition limit per participant (<i>employer contributions; employee pretax, after-tax, and Roth contributions; and forfeitures</i>) (<i>does not apply to SIMPLE IRA plans</i>) | Lesser of \$52,000 or 100% (25% for SEP) of participant's compensation | Lesser of \$53,000 or 100% (25% for SEP) of participant's compensation |
| Maximum tax-deductible employer contribution (<i>not applicable to 403(b) plans</i>) | 25% of total compensation of employees covered under the plan (20% if self employed) plus any employee pretax and Roth contributions; 100% for SIMPLE plans | 25% of total compensation of employees covered under the plan (20% if self employed) plus any employee pretax and Roth contributions; 100% for SIMPLE plans |

³ For self-employed individuals, compensation generally means earned income. This means that, for qualified plans, deductible contributions for a self-employed individual are limited to 20% of net earnings from self-employment (net profits minus self-employment tax deduction), and special rules apply in calculating the annual additions limit.

Compensation limits/thresholds

| Retirement plan compensation limits | 2014 | 2015 |
|------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|
| Maximum compensation per participant that can be used to calculate tax-deductible employer contribution (qualified plans and SEPs) | \$260,000 | \$265,000 |
| Compensation threshold used to determine a highly-compensated employee | \$115,000 (when 2014 is the look-back year) | \$120,000 (when 2015 is the look-back year) |
| Compensation threshold used to determine a key employee in a top-heavy plan | \$1 for more-than-5% owners; \$170,000 for officers; \$150,000 for more-than-1% owners | \$1 for more-than-5% owners; \$170,000 for officers; \$150,000 for more-than-1% owners |
| Compensation threshold used to determine a qualifying employee under a SIMPLE plan | \$5,000 | \$5,000 |

| | | |
|---------------------------------------------------------------------------------|-------|-------|
| Compensation threshold used to determine a qualifying employee under a SEP plan | \$550 | \$600 |
|---------------------------------------------------------------------------------|-------|-------|

| Traditional deductible IRA income limits--Income phase-out range for determining deductibility of traditional IRA contributions for taxpayers covered by an employer-sponsored plan and filing as: | 2014 | 2015 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|----------------------|
| Single | \$60,000 - \$70,000 | \$61,000 - \$71,000 |
| Married filing jointly | \$96,000 - \$116,000 | \$98,000 - \$118,000 |
| Married filing separately | \$0 - \$10,000 | \$0 - \$10,000 |

| Traditional deductible IRA income limits--Income phase-out range for determining deductibility of traditional IRA contributions for taxpayers not covered by an employer-sponsored retirement plan but filing a: | 2014 | 2015 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|-----------------------|
| Joint return with a spouse who is covered by an employer-sponsored retirement plan | \$181,000 - \$191,000 | \$183,000 - \$193,000 |

| Roth IRA compensation limits--Income phase-out range for determining ability to fund Roth IRA for taxpayers filing as: | 2014 | 2015 |
|-------------------------------------------------------------------------------------------------------------------------------|-----------------------|-----------------------|
| Single | \$114,000 - \$129,000 | \$116,000 - \$131,000 |
| Married filing jointly | \$181,000 - \$191,000 | \$183,000 - \$193,000 |
| Married filing separately | \$0 - \$10,000 | \$0 - \$10,000 |



Investment Planning

Tax on long-term capital gains

| Generally long-term capital gains taxed at maximum rate of: | 2014 | 2015 |
|-------------------------------------------------------------|------|------|
| Taxpayers in top (39.6%) tax bracket | 20% | 20% |
| Taxpayers in 25%, 28%, 33%, and 35% tax rate brackets | 15% | 15% |
| Taxpayers in tax rate bracket 15% or less | 0% | 0% |

Tax on dividends

| Maximum tax rate on dividends received by an individual shareholder from domestic and qualified foreign corporations | 2014 | 2015 |
|----------------------------------------------------------------------------------------------------------------------|------|------|
| Taxpayers in top (39.6%) tax bracket | 20% | 20% |
| Taxpayers in 25%, 28%, 33%, and 35% tax rate brackets | 15% | 15% |
| Taxpayers in tax rate bracket 15% or less | 0% | 0% |

Unearned income Medicare contribution tax ("net investment income tax")

| Amount of tax | 2014 | 2015 |
|----------------|-------|-------|
| Tax percentage | 3.80% | 3.80% |

| Applies to lesser of (a) net investment income or (b) modified adjusted gross income exceeding: | 2014 | 2015 |
|-------------------------------------------------------------------------------------------------|-----------|-----------|
| Individuals | \$200,000 | \$200,000 |
| Married filing jointly | \$250,000 | \$250,000 |
| Married filing separately | \$125,000 | \$125,000 |

IMPORTANT DISCLOSURES

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Hoss Financial
Sam Hoss
President
30700 Russell Ranch Rd. #250
Westlake Village
747-220-6750 x6751
sam@hossfinancial.com