



**WARNER LOTT DURITZA & LOWE**  
Accountants and Consultants, P.A.

---

**Will You Pay Higher Taxes on this Year's Return?**

Recent tax laws have increased the highest income tax rate for individuals, raised the dividend income and long-term capital gains tax rates for wealthier taxpayers and made planning for the alternative minimum tax a little more complicated for some people. At the same time, those who run their own shops also had to pay a higher self-employment tax beginning in 2013. And those are just a few of the changes that could hike the amount you will owe to Uncle Sam with this year's tax return. If you find yourself facing a bigger tax bill, we can help. There are many strategies that can minimize your tax outlay and enhance your overall financial situation. Contact us for the kind of personalized, expert advice that will help put you on a sound financial footing.

---

**Did You Hire a Veteran Prior to Jan. 1, 2014?**

The Work Opportunity Tax Credit offers employers a tax credit for hiring members of certain groups, including many veterans and those who have received vocational rehabilitation. The maximum credit can be as high as \$9,600, depending on the employee, but it only applies to hires who begin work *before* January 1, 2014.

Tax credits are a dollar-for-dollar reduction in your tax bill, so they are well worth taking advantage of. Your company may be eligible for many credits or deductions that can lower your tax outlay. Are you making the most of all of them? Contact us today to discuss the best ways to minimize what you're paying.

**Take the Uncertainty Out of Health Care Reform**

If you're not sure what the new health care law means to you, you're not alone. A poll by the Kaiser Family Foundation revealed that just over a third of the public had tried to find out more information about the law—the Affordable Care Act—in recent months. About half of the respondents to the survey said they remain confused about the law and its provisions.

If you have questions we can provide the answers you need. Among other things, our individual clients should be aware of the Shared Responsibility Provision that becomes effective on January 1, 2014. Under the provision, people of all ages, including children, must either have minimum essential health coverage, qualify for an exemption or make a payment when they file their tax return. We can help you understand whether your coverage meets the law's requirements, how gaps in coverage will be treated and what circumstances qualify for an exemption. Contact us today to find out how the health care law will affect you.

---

## **Do You Qualify for the Health Care Premium Tax Credit?**

Beginning next year, individuals and families can buy private health insurance through Affordable Insurance Exchanges, which are marketplaces where individuals can find private health insurance. (This is a new program created by the Affordable Care Act.) If you purchase health insurance through an exchange, you may be eligible for a tax credit that will make your coverage more affordable.

The credit is aimed at middle-income individuals and families. A larger credit is available for older individuals whose coverage costs may be higher. The credit will be refundable, which means it can be used by people who pay little or no federal income tax. You can arrange for the credit to be paid to your insurer in advance so that you have little or no out-of-pocket costs. Are you eligible for the credit? We can help you find out and work with you to make the best use of your health insurance dollars. Call us today with all your questions about health care finance or any other financial concerns.

---

## **DOMA Decision's Impact on Financial Planning for Same-Sex Couples**

If you are a member of a married same-sex couple, then the U.S. Supreme Court's decision to strike down the Defense of Marriage Act could have a substantial effect on many aspects of your financial life. You may want to consider, for example, filing an amended income tax return if you now qualify for deductions or credits available to married couples under federal law. Since same-sex couples are now eligible for the estate tax exemption available to surviving spouses, it may also be time to review your estate planning.

Those are just a few of the changes affecting qualifying same-sex couples. If you have questions about the decision's impact and what it means to your financial situation, be sure to contact us today.

## **Seeking a Job? You May Be Able to Deduct the Expenses**

Did you know that if you are trying to find work in your current occupation, the costs of your search, including expenses for preparing and sending resumes, employment agency fees and

related travel expenses, should be deductible?

The deductions aren't available in all cases. For example, you're not eligible to use them if you are seeking employment in a new field or if this will be your first job. If it's been a long time since you left your last job, your costs also may not be deductible. Don't try to navigate the rules on your own. If you want to learn more about these deductions, or ask any questions about your tax situation, contact us today.

---

## **Smart Disaster Planning Steps**

Too often natural disasters strike and serve as reminders that it's important for both individuals and businesses to protect themselves against the potential financial consequences of such events. A few smart steps we recom-

ment include making electronic backups of important records, including your insurance policies, tax returns, bank and credit card account information, and vital records. It is critical that you store this backup in a separate location that will be easy to access if your area suffers damage. You should also take the time to take pictures or videos of your home or business and store them separately in case you need to make an insurance claim.

If you run a business, you must consider how you will get up and running again after a disaster. It's a good idea to develop contingency plans that will enable employees to work from home or elsewhere if your location is damaged or inaccessible. Both businesses and families should consider using phone trees or other methods to maintain contact in an emergency. Review your contact and contingency plans every year to be sure they are up to date.

Want further advice on protecting your family's or business's financial well-being in case of a disaster? We can help. Contact us today with all your financial questions.

---

### **A Simplified Home Office Deduction**

Do you work at home or have a home-based business? If so, you should be aware that the IRS has created a simpler option for calculating the deduction for the business use of your home. The new option makes record-keeping easier because, instead of maintaining records of specific home office expenses, you can use a standard rate per square foot. The rate is \$5 per square foot (up to a maximum of 300 sq. feet or \$1,500) for qualifying business use space in place of taking a pro rata percentage of items such as mortgage interest, taxes and repairs.

Keep in mind there are good and bad aspects to this "simpler" method. The new method gives you back your full interest and tax deduction on schedule A, but you will lose your depreciation and loss carryover deductions. Of course, you must still use your home office regularly and exclusively for business. This may be a welcome relief for some taxpayers, but it might not be the best choice for others. Is it the right choice for you? Please contact us for answers to all your financial questions.

### **Student Loan Debt: We Can Provide the Decision-Making Details You Need**

Did you know that the average student loan balance is \$24,803? Student debt is taking a heavy toll on borrowers, according to an American Institute of CPAs survey, which found that 75% of respondents or their children had made personal or financial sacrifices because of monthly student loan payments. Sacrifices included putting off saving for retirement (41%); delaying car purchases (40%); postponing a home purchase (29%); and even waiting on marriage (15%).

Among the most troubling findings were that only 39% fully understood the burden that student loan debt would place on their future and 60% had at least some regrets about their decisions on financing their education. That's why it's always critical to understand the full potential impact of all your financial choices. The good news is that your CPA can help. Contact us with all your financial questions and we'll provide the knowledge and insights you need to make the best decisions for you.

## **Stop Tax Identity Theft in Its Tracks**

Imagine after sending in your annual tax return, you receive a notice from the Internal Revenue Service saying that another return has already been filed using your name and Social Security number—and claiming a refund. Sound impossible? It can happen if you become one of a growing number of victims of tax return identity theft. According to one estimate, tax-related identity theft cases have soared more than 650% since 2008. At the least, this crime can lead to a delay in your refund, but the consequences may be much more serious. In addition, you may face a larger problem with identify theft if the scammer is also running up credit card debt or taking out loans in your name.

To avoid becoming a victim, we recommend steps such as safeguarding your Social Security number and other financial information, keeping an eye on changes to your credit ratings and taking precautions with electronic transfers of confidential information. Be sure to contact us if you believe you have been a victim of identity theft or would like advice on the best ways to secure your financial information.