

Tax Preparers' Due Diligence Requirements for EITC

Paid preparers who file EITC returns or claims for refunds for clients must meet four due diligence requirements. Those who fail to do so can be assessed a \$500 penalty for each failure.

- 1) Complete and file with taxpayer's return Form 8867, Paid Preparer's Earned Income Credit Checklist.
- 2) Fill out the appropriate EIC worksheet found in the Form 1040, 1040A, or 1040EZ instructions or in Publication 596, use your own equivalent form.
- 3) You must have no knowledge that any of the information used to determine the taxpayer's eligibility for the credit and the credit amount is incorrect.
- 4) You must keep these records for three years from the latest of the following dates that apply:
 - The due date of the tax return (not including extensions)
 - The date the return was filed (if you are a signing tax return preparer electronically filing the return)
 - The date the return was presented to the taxpayer for signature (if you are a signing tax return preparer not electronically filing the return)
 - The date you submitted to the signing tax return preparer the part of the return for which you were responsible (if you are a nonsigning tax return preparer)

2015 Medical Savings Accounts (MSA)

2015 Annual Deductible Range

Self-Only Coverage	\$ 2,200 - \$ 3,300
Family Coverage	\$ 4,450 - \$ 6,650

Maximum Out of Pocket

Self-Only Coverage	\$ 4,450
Family Coverage	\$ 8,150

Health Savings Account (HSA)

2015 Maximum Annual Contribution Limits

Self-Only Coverage	\$ 3,350
Family Coverage	\$ 6,650

2015 Minimum Deductible

Self-Only Coverage	\$ 1,300
Family Coverage	\$ 2,600

2015 Maximum Out of Pocket

Self-Only Coverage	\$ 6,450
Family Coverage	\$ 12,900

Additional Over Age 55 - 65

2015 and after	\$ 1,000
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STANDARD DEDUCTIONS

IF Your Filing Status Is...	Base Amount	Additional Amount for Blindness or Over Age 65
Single	\$ 6,300	\$1,550
Married Filing Jointly	\$ 12,600	\$1,250
Married Filing Separately	\$ 6,300	\$1,250
Head of Household	\$ 9,250	\$1,550
Qualifying Widow(er) with Dependent Child	\$ 12,600	\$1,250
Dependent of Another	\$1,050 or Earned Income + \$350	\$1,250 or \$1,550 if single or HOH

MACRS RECOVERY PERIODS

Type of Property	MACRS Recovery Period	
	General Depreciation System	Alternative Depreciation System
Computers and their peripheral equipment	5 years	5 years
Office machinery, such as: Typewriters Calculators Copiers	5 years	6 years
Automobiles	5 years	5 years
Light trucks	5 years	5 years
Appliances, such as: Stoves Refrigerators	5 years	9 years
Carpets	5 years	9 years
Furniture used in rental property	5 years	9 years
Office furniture and equipment, such as: Desks Files	7 years	10 years
Any property that does not have a class life and that has not been designated by law as being in any other class	7 years	12 years
Roads	15 years	20 years
Shrubbery	15 years	20 years
Fences	15 years	20 years
Residential rental property (buildings or structures) and structural components such as furnaces, water pipes, venting, etc.	27.5 years	40 years
Nonresidential real property	39 years	40 years

Additions and improvements, such as a new roof

The same recovery period as that of the property to which the addition or improvement is made, determined as if the property were placed in service at the same time as the addition or improvement.