

APPLE TAX NEWS

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The Jackson Apple Festival will soon be here!

Downtown Jackson comes alive September 22nd-September 26th with the 75th Annual Apple Festival! This year's theme is "Apple Cheers to 75 Years". The highlight of the festival is the Grand Finale Parade at 7:45 PM on Saturday night, which has been called the largest & brightest night time parade in all of OH!

I will be here enjoying the festival with friends and family most of the time. Please feel free to stop by and say hello, ask tax questions, and/or set up an appointment. Although I don't have my full schedule planned for the season *I have already started receiving calls to book appointments!*

Referrals are gladly accepted: Win a prize!

The past few seasons I have been entering names of clients who referred new business resulting in a tax return for a \$100 gas card drawing. This year's winner was Norma Beatty of Jackson. *Thanks, Norma!*



This coming season watch for details for how you can win!

See the following page for brief tax tips/highlights!

REMEMBER: If you filed an extension in April (form 4868) the final day to file the actual tax return is **October 15th!** Also keep in mind an extension only extends the time to file the paperwork. The tax must have been paid by now! *Thus, a good estimate should have been prepared in April and submitted with the extension.*

Tax “Gotcha's”!

- * **Keep in mind if you take a distribution:** (i.e. take money out) of a retirement plan such as a traditional IRA, 401(k), 403(b), etc. prior to the age of 59 1/2 there is a great chance you will have to pay a 10% tax penalty under IRC Section 72t. This is often overlooked. I see many tragedies each season! The problem is the trustee withholds 20%. However, this is rarely enough to cover the “ordinary” tax rate **and** the penalty. *Please see me now if you took such an action to be prepared!*
- * **“Self-employment & contracted employment”:** If you earn income as “self-employment” **OR** as “cash, contractor, under-the-table, or 1099-MISC” income (not reported on a W-2) you are subject to the very painful “self-employment tax” **in addition** to the “ordinary income tax”. This tax is for Social Security and Medicare. Since you are deemed as a “business” under the tax law in this case you pay double the amount as an employee. This can be very painful! Under such circumstances you should be paying quarterly estimated taxes. *Please see me now to make preparations and/or make a year-end payment to the IRS!*
- * **Affordable Care Act (“Obamacare”) Taxes:** 2015 is the second year of the **full implementation** of this law. You need to be covered under a qualified health insurance plan or pay a tax. There are some exemptions, *if you qualify*. The tax for 2015 is the **higher** of 2% of your income above a base level **OR** \$325 for an individual. Families of 3 or more will pay 2% above the base amount **OR** \$975. *All of this goes up in 2016!* Of course, there are other taxes imbedded in this law too. However, this is the “Shared Responsibility Payment” you hear of the most. *Please contact me with questions!*

Allen L. Beatty is an IRS Enrolled Agent and holds a Masters in Taxation Degree from Capital University Law School. Al Beatty is an authorized e-file provider. Al also enjoys teaching at Southern State Community College, Wilmington College, and Daymar College.

Al resides in Jackson, OH, with his wife Molly and Japanese Bobtail Cat “Otto”. He is a proud parent, grandparent, and OH Army National Guard Veteran.

Hours vary by season and an appointment is highly recommended.

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