



Tax Law Changes You Need To Know To Maximize Your Refund

(NAPSA)—Although the U.S. federal tax code has undergone over 4,600 changes since 2001, most changes are unlikely to affect the average taxpayer.

Unless you're an accountant or tax lawyer, you don't need to know the vast majority of tax law changes. However, you can maximize the benefits and minimize any negative effect of changes when you file your income tax return.

"To avoid any surprises at tax time, do a dry run of your tax return each fall," recommends TaxACT spokesperson Jessi Dalmage. "DIY tax programs are updated with the latest tax laws every fall. Just answer simple questions and the program will calculate your refund or liability as it currently stands so you can see what's changed. The interview will also review credits and deductions you may still qualify for through Dec. 31."

You can use the tax preparation filing products to get early calculations of your taxes or use a tax calculator such as TaxACT's at www.taxact.com/tax-calculator.

Whether you do any year-end tax planning or wait until the filing deadline, here's a list of key changes that could impact your federal tax return due April 15, 2015:

- Personal and dependent exemptions increase to \$3,950 per person.

- The 2014 standard deduction is \$6,200 for a single taxpayer and \$9,100 for a head of household. The standard deduction for married couples filing jointly also increases to \$12,400.

- Several benefits have expired, including the tuition and fees deduction, educator expense deduction, deduction for mortgage insurance premiums, cancellation of some mortgage debt, nonbusiness energy property credit and state and local sales tax deduction. Congress is expected to vote on extending the tax breaks after the November 2014 elections.

- If you purchased 2014 health insurance from the federal or a state-sponsored marketplace, you'll receive Form 1095-A around January 31. The form will have



Navigating tax law changes is as easy as answering simple questions in do-it-yourself tax filing solutions.

the information you need to report on your tax return, including the premium tax credit. Simply enter the form information when your tax program asks.

If you got the premium credit in advance, your amount was based on your estimated household income and family size. Your credit amount will be reconciled with your actual income and family size on your tax return. If your situation changed since applying for insurance, you may receive a larger refund or have to pay part of the credit back.

- If you didn't have minimum essential health insurance for three or more months in 2014 and don't qualify for an exemption, you may pay a penalty. The shared responsibility payment is the higher of 1 percent of your 2014 income or \$95 per adult and \$47.50 per uninsured dependent under 18, up to \$285 per family. Your tax program will ask simple questions to calculate your payment.

If you qualify for an exemption, remember some require you to have a certificate number (ECN) for your tax return in order to avoid the shared responsibility payment. To get an ECN, you must send an application and supporting documentation to your marketplace. Application processing can take several weeks, so apply now to avoid delay of your tax refund.

Learn about more tax law changes at www.irs.gov and www.taxact.com/taxinfo. Visit www.healthcare.gov and www.healthcareact.com for premium credit and exemption information.