



# Clemmons & Company Inc.

"ONE ON ONE SERVICE IN ACCOUNTING, TAXES AND BUSINESS CONSULTING"

## NEWSLETTER

By: Faythe A. Clemmons, EA, NTPI Fellow, ABA, ATP

December 2015/January 2016

### EDITOR'S NOTE

We would like to welcome all new clients that joined our family in 2015 and to offer a huge "Thank You" to our loyal clients for your support as we restructured the services that we offer. Once again, I could not have made it through another year without my awesome employees to whom I am most grateful!!!!

### ARE YOU SOCIABLE?

Do you want to keep up with the latest tax law changes, receive business tips and get a \$5.00 credit/cash? If so, then become sociable with Clemmons and Company and like us on Facebook.

Twitter: [www.twitter.com/ms1040](http://www.twitter.com/ms1040).

Facebook: <http://tinyurl.com/2ubaec5>.

Linked In: Faythe A Clemmons

\$\$\$\$RECEIVE\$\$\$\$

ACCOUNTING & TAX SERVICES  
FREE

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Referrals for small businesses in need of accounting, tax preparation and tax representation are greatly appreciated. Individuals with complex tax issues as well as individuals requiring IRS representation for audits and filing/tax issues are also greatly appreciated. To express appreciation, Clemmons and Company will give a credit up to 25% of collected fees for eligible referrals that will be redeemable for our services. Tax preparation referrals in excess of four will qualify for free tax preparation. Non clients will receive a referral fee instead of a credit.

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### 2015

### TAX CHANGES WRAP UP

I must say that 2015 had far less tax law changes than in the last few years.

### TAX LAW CHANGES

- ◆ **Standard Deduction** – Single/Married Filing Separately increased to \$6,300. Married Filing Jointly/Qualifying Widow increased to \$12,600. Head of Household increased to \$9,250.
- ◆ **2015 Personal Exemption** - For each dependant the deduction is \$4,000.
- ◆ **Itemized Deduction Limitation** - Begins with income starting at \$258,250.
- ◆ **Additional Medicare Tax (AdMT)** - Medicare tax increases by .9% on wages, compensation and self employment income when income is above certain threshold amounts.
- ◆ **Earned Income Credit** - The maximum credit amount for 2015 is \$6,242.
- ◆ **Health Care Coverage** - Health Care Providers are required to issue a 1095-A, 1095-B or 1095-C to those who had health care coverage.
- ◆ **Failure To Maintain Health Coverage** - Penalty is the greater of \$325 or 2% of excess household income over the threshold amount.
- ◆ **Education Credit and Tuition Deduction** - An education credit or deduction is only allowed with a Form 1098T from education institution
- ◆ **My Social Security Account** - Beneficiaries can receive a variety of information by setting up a social security account on SSA's website.
- ◆ **Forms 1099s** - Penalties have increased for returns filed late with the IRS.
- ◆ **Standard Mileage Rates** – For 2016, the standard mileage rate will be for business: \$.54 a mile; medical/moving: \$.19 a mile; charitable contribution: \$.14 a mile
- ◆ **Tax Return Due Date** - Because of Emancipation Day tax returns are due April 18, 2016.
- ◆ **IRS Statue of Limitations** - Has increased to six years where the return has an understatement of gross income.

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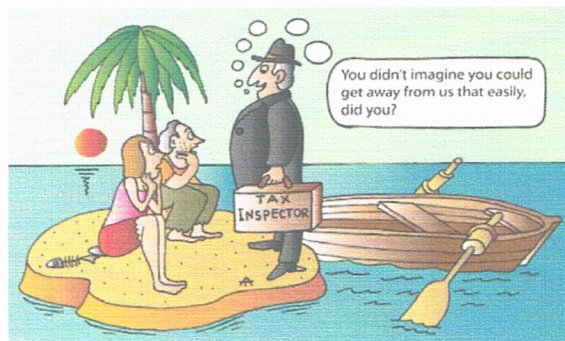
## CREDITS AND DEDUCTIONS EXTENDERS

- ◆ **American Opportunity Tax Credit** - Now permanent tax credit. Maximum credit for 2015 is \$2,500
- ◆ **Educator Expenses** - Now permanent deduction
- ◆ **Sales Tax Deduction** - Now permanent itemized deduction
- ◆ **Section 179** - Expense limit of \$500,000 is now a permanent deduction
- ◆ **Discharge of Residence Debt Excluded From Income** - The provision is now extended through 2016
- ◆ **Mortgage Insurance Premiums** - The itemized deduction is now extended through 2016
- ◆ **Tuition and Fees Deduction** - The deduction is now extended through 2016
- ◆ **Nonbusiness Energy Property** - The credit is now extended through 2016

## THE LIGHTER SIDE



"No stretch of the imagination is as complete as the one used in filling out income-tax forms"



"America is the land of opportunity. Everybody can become a taxpayer"

## INSIDE NEWS

Clemmons and Company had changes too.

- We celebrated 20 years in business in 2014. Wow, where did the time go? See below for a few fun pictures from the anniversary picnic. During 2015, we stopped offering on-site bookkeeping and accounting services. We decided to concentrate on our tax services, in addition to, tax resolution services which has become a growing demand by taxpayers.
- **Sara Bramham** was promoted to staff bookkeeper and as many of you know she manages the office quite well.
- **Jamie Spear** has resumed her position as a year round staff bookkeeper as she holds the fort down in Texas.
- **Sandy Valdes** relocated to New Jersey with her husband. She is working for Clemmons and Company on an as needed basis.
- **Daniel Battle, Jr.** was promoted to assistant bookkeeper/administrative assistant. He also assists with the initial individual tax preparation.
- Clemmons and Company is extremely excited to have a new team member, **Elnora Mitchell**, to join our family. Faythe Clemmons, the company's president, has known Elnora for well over ten years and they have worked for several mutual clients together over the years. Elnora is an Enrolled Agent and has over 30 years of experience.
- **Faythe Clemmons** acquired another designation, the esteemed **National Tax Practice Institute Fellow**. This is an intense tax representation program taught by the best tax practitioners in the country on all tax resolution issues. She was re-elected as the Vice-President to the Board of Directors of the Palm Beach County Florida Society of Enrolled Agents for the 2015/2016 year. In addition, Faythe was elected to serve as the Awards Committee Chair for the Florida Society of Enrolled Agent for the 2015/2016 year.



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