

J. William Seabrooke, CPA, P.C.

A Professional Corporation

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Member: American Institute of Certified Public Accountants

2012 INCOME TAX RETURN INFORMATION PACKAGE

Please complete this “2012 Income Tax Return Information Package” which includes both the required basic tax return data and the supplemental data required to identify whether special tax treatment may be required. It also includes a “**Financial Data**” summary schedule to assist you in organizing your income and expenses. The information which you provide to me in this document will reduce the time required for the preparation of your 2012 tax return for both of us.

Although you may have submitted this same information in prior years, I review every line item on every page each year to identify any changes that have occurred during the current tax year and errors that may have occurred in prior tax years that may require the filing of an amended tax return.

Pages 15-17 of this document provide a brief summarization of all of the significant tax law changes for 2012 and 2013. Please inform me if any of these changes will affect your 2012 return.

Your 2012 personal tax returns are required to be filed by April 15, 2013, unless you request a six month automatic extension of the time to file. However, this filing extension does not extend the April 15th deadline for the payment of your 2012 income taxes.

I will need to have the soft copy of all returns and reports which you have received which have been submitted by a third party (i.e. your investment firm) to the Internal Revenue Service. ALL of the data in your tax return has to agree with the data which the IRS already has. Additionally, the data in every block of a report is important and can not be ignored. For example, on a Form 1099, while an amount of \$100,000.00 in Block #1 (Gross Distribution) is important, a \$ 0.00 amount in Block 2a (Taxable Amount) is even more important to you!

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2012 Tax Return Questionnaire Data

Please answer the following questions. They are intended to provide information needed for your tax return preparation and to indicate where potentially more complicated reporting requirements may exist.

PERSONAL DATA:

1. Please indicate how you would like to describe your occupation or profession for your tax return:

Yourself: _____

Your Husband/Wife: _____

2. Do you and your husband or wife want to contribute \$3.00 of your tax liability to the presidential election campaign fund?

Yes

No

()

()

3. Names, ages, and social security number(s) of anyone whom you are claiming as a dependent:

NAME

AGE

SOC. SEC. #

Did all the above dependents reside with you for the entire year?

()

()

Are all the above dependents unmarried?

()

()

Are any of the above dependents filing their own tax return?

()

()

Can any of the above dependents be claimed by any other taxpayer (s)?

()

()

4. Your Date of Birth _____ Spouse Date of Birth _____

5. Your Social Security # _____ Spouse Social Security # _____

6. Your e-mail address _____ Spouse e-mail address _____

7. Your Work Phone # _____ Spouse Work Phone # _____

8. Your Cell Phone # _____ Spouse Cell Phone # _____

9. FAX Number _____ Phone # to print on Form 1040 _____

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PERSONAL DATA (Cont'd)

10. Mailing Address: _____

11. **Electronic Filing Yes/No** **Direct Deposit of Refund (If Any) or Withdrawal - Yes/No** **If you answered "Yes" to this question, I will need the following additional information:**

Five-Digit PIN for Yourself _____ **Five-Digit PIN for your Wife** _____

Name of Financial Institution _____ Checking/Savings Bank Routing # _____

Your Bank Account # for Direct Deposit _____ Date for Withdrawal _____

	<u>Yes</u>	<u>No</u>
12. Did you support anyone else (other than your children) in 2012 that you believe that you can claim as a dependent?	()	()

13. If divorced or separated, are you claiming a child as a dependent for whom you did not have custody of for the entire year?	()	()
---	-----	-----

Did you pay or receive any alimony?.....	()	()
--	-----	-----

If so, what was the total amount for 2012 \$ _____

14. Were you or your spouse age 65 or older as of 12/31/12?		
You?.....	()	()

Your Spouse ?.....	()	()
--------------------	-----	-----

Income:

15. Did you or your spouse have any income from any outside business interests (including rental property) in addition to your normal employment income?	()	()
--	-----	-----

16. Did you or your spouse receive any distributions from a pension, profit sharing, or other retirement plan during the year?	()	()
--	-----	-----

17. Did you receive any installment sale payments in 2012 that were from a sale that was completed in a prior year?	()	()
---	-----	-----

18. Did either you or your spouse receive any disability or unemployment compensation during the year?	()	()
--	-----	-----

Total amount received in 2012: \$ _____ Received from State of _____

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- | | <u>Yes</u> | <u>No</u> |
|--|------------|-----------|
| 19. Did you or your spouse or dependents receive any social security benefits? | () | () |
| 20. Did you receive any interest income from a mortgage or note you originated? | () | () |
| 21. Did you or your spouse receive any capital gains distributions from any investments or insurance plans?..... | () | () |

Financial Transactions:

- | | | |
|---|-----|-----|
| 22. Did you purchase, sell, or exchange your primary residence during the previous two years? | () | () |
| 23. Did you purchase or sell any other real estate during the year? . | () | () |
| 24. Did you sell any stocks, bonds, or other securities during the year? | () | () |

If "Yes" please attach all of the Schedule D and 1099-B reports from your investment firms. Note: Effective in 2005 the IRS requires all of the details for each individual transaction on Schedule D.

- | | | |
|---|-----|-----|
| 25. Were you a member of any partnership or, joint venture during the year?
..... | () | () |
| 26. Did you make any non-cash charitable contributions such as clothing, furniture, or other property?..... | () | () |
| 27. Did you incur any moving or relocation expenses during the year? | () | () |
| 28. Did you incur an early withdrawal penalty in any savings accounts? | () | () |
| 29. Did you pay mortgage interest to an <u>INDIVIDUAL</u> (not a bank or financial institution)? | () | () |

If "Yes", please provide their name, address, and social security #:

- | | | |
|--|-----|-----|
| 30. Did you contribute more than \$250.00 to any single charitable or religious organization?..... | () | () |
|--|-----|-----|

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- | | <u>Yes</u> | <u>No</u> |
|---|------------|-----------|
| 31. Did you incur any child/dependent care expenses? | () | () |
| Amount \$ _____ Provider Name: _____ | | |
| # of Children _____ Provider SSAN/Tax ID # _____ | | |
| 32. Does anyone owe you money from a loan for which you <u>have not</u> been able to collect?..... | () | () |
| 33. Please indicate the amount of any IRA contribution that either you or your spouse made in 2012 that was not deducted on your 2011 tax return. | | |
| Self: \$ _____ | | |
| Spouse: \$ _____ | | |
| Were any IRA contributions made in 2012 and prior to 4/17/12 which were not deducted on your 2011 tax return?..... | () | () |

Miscellaneous:

34. Have you been audited by either the IRS or a state tax agency during the past two years?
- () ()
35. Did you make estimated tax payments (via Form 1040-ES and not Form W-2) for tax year 2012?
- () ()
- If "Yes", what were the actual deposit dates and the amounts for each payment?
- _____
- _____
36. Did you incur theft or casualty losses not covered by insurance which exceeded 10% of your total income?
- () ()
37. **IMPORTANT** Please indicate the amount of the tax refund from your 2011 state income tax return \$ _____ [1099-G] State: _____
38. 2012 Education Expenses (tuition, fees etc) [1098-T] \$ _____ & Student Loan Interest [1098-E] \$ _____

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FINANCIAL DATA

The following schedules are intended to identify the specific financial data necessary for the preparation of your income tax return.

INCOME:

W-2 Salary/ Wages: Yourself: \$ _____

Husband/Wife: \$ _____

Interest:

Received From: _____ \$ _____

Received From: _____ \$ _____

Received From: _____ \$ _____

Received From: _____ \$ _____

Received From: _____ \$ _____

Dividends:

Received From: _____ \$ _____

Received From: _____ \$ _____

Received From: _____ \$ _____

Received From: _____ \$ _____

Received From: _____ \$ _____

State Income Tax Refund: State _____ \$ _____

Unemployment Compensation: State _____ \$ _____

Taxable Retirement Income: Source _____ \$ _____

***** Please provide me with copies of your W-2s, 1099s and the 12/31/12 statements from each of the financial institutions that reported the above income to the Internal Revenue Service *****

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Taxable Retirement Income (Cont'd):

Pension Income:	_____	\$ _____
IRA Distributions:	_____	\$ _____
Alimony <u>Received</u> :	_____	\$ _____
Other (Describe)	_____	\$ _____
Other (Describe)	_____	\$ _____

Adjustments to Gross Income:

Educator Expenses	\$ _____
Business Expenses for Armed Forces Reservists, performing artists or fee-basis state or local government officials	\$ _____
Alimony <u>Payments</u>	\$ _____
Health Savings Account (HSA) deductions	\$ _____
Self Employment Taxes	\$ _____
IRA or Keogh Plan Contributions	\$ _____
Student Loan Interest	\$ _____
Tuition & Fees Deductions	\$ _____
Moving Expenses	\$ _____
Self Employment Health Insurance Premiums	\$ _____
Self Employed SEP, SIMPLE & Qualified Plans	\$ _____
Penalty for Early Withdrawal of Savings	\$ _____
Domestic Production Activities	\$ _____
Archer MSA Deduction	\$ _____
Deduction for clean-fuel vehicles	\$ _____
Jury Duty pay relinquished to employer	\$ _____

***** Please provide me with copies of your Form 1098s, 1099s, and the 12/31/12 statements from each of the financial institutions that reported the above income to the Internal Revenue Service *****

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Itemized Deductions:

Medical:

Doctors, Dentists, hospitals and nursing care (net of any insurance proceeds): \$ _____

Medicines, drugs and fees paid: \$ _____

Eyeglasses and hearing aids: \$ _____

Total automobile mileage To & From medical facilities for medical care and treatments: _____

Health insurance premiums paid (excluding disability or life insurance) including Long Term Care Insurance: \$ _____

NOTE: Medical expenses increase your itemized deductions if they exceed 7.5% of your Adjusted Gross Income (AGI). The 2012 medical mileage rate is \$.23/mile. Please provide me with your mileage data.

General State Sales Taxes Deduction (Personal Use only – Not for your trade or business)

If you itemize your deductions and live in a state that has a state income tax, you may elect to deduct **either** the state income tax **or** the applicable states sales taxes that were paid.

Deduct State Income Taxes _____ Deduct State Sales Taxes _____

If you itemize your deductions and live in a state that does not have a state income tax you may deduct the applicable general sales taxes that you paid during the year.

Enter Your local sales tax rate _____% You have the option of deducting either 1) the actual sales tax amount from your receipts or 2) the amount from the IRS tables:

Actual Receipts Amount \$ _____ Use IRS Tables _____

If you selected “Use IRS Tables” above then you can also deduct an additional amount for the sales taxes that were paid for separate large purchases. Please enter those amounts below:

Motor Vehicles (cars, SUVs, trucks, vans, leased vehicles) \$ _____

Boats, motorcycles, motor homes, RVs, off-road vehicles \$ _____

Airplanes \$ _____

Personal Residence Home Building Materials (New Homes) \$ _____

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Taxes:

Real Estate (Describe Properties): _____ \$ _____

Real Estate (Describe Properties): _____ \$ _____

State Income (State): _____ \$ _____

State Income (State): _____ \$ _____

State Disability Insurance (State): _____ \$ _____

Vehicle Ad Valorem (Non-Texas) (State): _____ \$ _____

Vehicle Ad Valorem (Non-Texas) (State): _____ \$ _____

Other Taxes (Please describe): _____ \$ _____

Interest Expense:

NOTE: The interest expense for personal loans, automobile, boat, credit cards or personal line of credit loans can not be deducted on **Schedule A**

Student Loan Interest (Please indicate Recipient)

Loan Company: _____ \$ _____

Home Mortgage Interest (Please indicate Recipient)

Mortgage Company: _____ \$ _____

Mortgage Company: _____ \$ _____

Mortgage Company: _____ \$ _____

Broker/Margin Interest Paid (Please indicate Recipient)

Investment Company: _____ \$ _____

Investment Company: _____ \$ _____

Investment Company: _____ \$ _____

*** Some borrowers may be able to deduct Mortgage Insurance Premiums paid on mortgages taken out or refinanced after 2006. A borrower who prepays premiums for later years may deduct only the premiums that relate to 2012, except for prepayments for guarantees made by the Department of Veterans Affairs or the Rural Housing Service. Only mortgage insurance contracts issued during 2007, 2008, 2009 or 2010 qualify for this new itemized deduction. ***

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Contributions (Cash):

Religious: _____ \$ _____

Religious: _____ \$ _____

Religious: _____ \$ _____

Religious: _____ \$ _____

Charitable (i.e. United Way, March of Dimes, American Red Cross, American Heart Association, etc): _____ \$ _____

Charitable (i.e. United Way, March of Dimes, American Red Cross, American Heart Association, etc): _____ \$ _____

Charitable (i.e. United Way, March of Dimes, American Red Cross, American Heart Association, etc): _____ \$ _____

Charitable (i.e. United Way, March of Dimes, American Red Cross, American Heart Association, etc): _____ \$ _____

Contributions (Non Cash):

(i.e. Goodwill Industries, Capital Area Food Bank, Salvation Army, etc)

Organization: _____ \$ _____

Organization: _____ \$ _____

Organization: _____ \$ _____

Volunteer Work: (Describe organization, mileage and expenses involved)

Organization: _____

Organization: _____

Organization: _____

Special new rules apply for documenting charitable donations made in taxable years beginning after August 17, 2006. For most taxpayers the requirement began in 2007. [The charitable organization mileage rate for 2012 is \\$.14/mile.](#)

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Miscellaneous Deductions:

Professional or Union Dues	_____	\$ _____
Professional Publications & Job Supplies	_____	\$ _____
Unreimbursed Business Travel	_____	\$ _____
Unreimbursed Meals & Entertainment	_____	\$ _____
Employment Related Education	_____	\$ _____
Job hunting costs	_____	\$ _____
Safety Deposit Box	_____	\$ _____
2011 Tax Return Preparation	_____	\$ _____
Educator Expenses	_____	\$ _____
Investment Counsel and Tax Planning	_____	\$ _____
Business Use of Your Home	_____	\$ _____
IRA Custodial Fees	_____	\$ _____
Gambling losses	_____	\$ _____
Other (Please Describe)	_____	\$ _____
Other (Please Describe)	_____	\$ _____

Moving Expenses:

Distance From Former Home to New Place of Work - _____
Distance from Former Home to Old Place of Work - _____

Transportation of Household Hoods:	\$ _____
Storage Costs (new area) First 30 days only	\$ _____
Travel Expenses for Taxpayers to New Location	\$ _____
Lodging Expenses Enroute to New Location	\$ _____
Unallowable Moving Expenses	\$ _____
Total Moving Expenses \$ _____	Employer Reimbursements \$ _____

Total Driving Distance _____ # of Cars Driven _____ **Note: The 2012 moving mileage rate is \$.23/mile. Please provide me with your mileage data.**

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Moving Expenses (Cont'd):

Do Not Include the Costs for any of the following expenses:

- Any part of the purchase price of your new home.
- Car tags.
- Driver's license.
- Expenses of buying or selling a home (including closing costs, mortgage fees, and points).
- Expenses of entering into or breaking a lease.
- Home improvements to help sell your home.
- Loss on the sale of your home.
- Losses from disposing of memberships in clubs.
- Mortgage penalties.
- Pre-move house hunting expenses.
- Real estate taxes.
- Refitting of carpet and draperies.
- Return trips to your former residence.
- Security deposits (including any given up due to the move).
- Storage charges except those incurred in transit and for foreign moves.

Other Taxes:

First Time Home Buyer Credit Repayment (1/15 of 2008 credit amount) \$ _____

Tax Credits:

Residential Energy Expenses _____ \$ _____

Non Business Energy Property Expenses _____ \$ _____

First Time Home Buyer Credit _____ \$ _____

Adoption Expenses _____ \$ _____

Child & Dependent Care Credit _____ \$ _____

Child Tax Credit _____ \$ _____

Foreign Taxes Paid Credit _____ \$ _____

Education Credit _____ \$ _____

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RENTAL PROPERTY OWNERS

Rental Income \$ _____

Rental Expenses:

Mortgage interest \$ _____

Real estate taxes \$ _____

Property / Mortgage insurance \$ _____

Repairs \$ _____

Management fees \$ _____

Maintenance and repairs..... \$ _____

Utilities \$ _____

Depreciation (I will calculate) \$ _____ XXXXXX _____

Other (specify) \$ _____

..... \$ _____

..... \$ _____

The standard business mileage rate for 2012 is \$.55/mile. Please provide me with your 2012 mileage data.

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BUSINESS / PROFESSIONAL INCOME

Gross Business Income\$ _____

Reported on a Form 1099 \$ _____ Not Reported on a Form 1099 _____

Business expenses:

Advertising\$ _____

Bank service charges\$ _____

Car or truck expense\$ _____

Depreciation (I will calculate)\$ _____ XXXX.XX _____

Dues, publications, books, etc\$ _____

Insurance\$ _____

Interest\$ _____

Legal and other professional expense\$ _____

Office supplies and expenses\$ _____

Travel and entertainment\$ _____

Other (describe)\$ _____

.....\$ _____

.....\$ _____

.....\$ _____

Name of Business: _____ Date First Commenced Business _____

Federal Tax Identification Number _____ State Tax Identification Number _____

State Charter Incorporation # _____ Date of Incorporation _____ Business Form _____

Business Vehicle Information:

Vehicle Make: _____ Model _____ Year _____ Date in Service _____

1/1/2012 Mileage _____ 12/31/12 Mileage _____ 2012 Business Miles _____

The standard business mileage rate for 2012 is \$.55/mile. Please provide me with your 2012 mileage data.

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Many of the tax law provisions that were due to expire on 12/31/12 were extended. Please advise me if any of these changes may be applicable to you by placing a check mark next to the topic below if any of these changes could affect your 2012 Federal Tax return:

Ordinary Marginal Tax Bracket Rates

All of the marginal tax bracket rates—10%, 15%, 25%, 28%, 33%, and 35%—are now permanent. This means that the 10% bracket, which was scheduled to expire on 12/31/12, remains in effect. However, the top tax bracket rate for high-income taxpayers will not be capped at 35%, beginning in 2013. The maximum tax bracket rate for high-income taxpayers has been reinstated at 39.6% beginning in 2013. The “marriage penalty relief” which was provided in the 10% and 15% brackets remains in effect.

The below categories of tax rates are related and are also applicable:

- Social Security Tax on earned Income (Salaries & Wages) – 6.2% (formerly 4.2%)
- Backup withholding for dividends and interest - 28% (No change from 2012)
- Voluntary withholding on Social Security benefits, and Railroad Retirement (Tier 1) benefits - 7%, 10%, 15%, or 25% (at the taxpayer’s choice). No other percentages or amounts are allowed.
- Voluntary withholding on unemployment benefits - 10% No other percentages or amounts are allowed.
- Withholding rate for regular gambling winnings (such as lotteries and sweepstakes) - 25%.

The Accumulated Earnings tax and the Personal Holding Company penalty tax will increase from 15% to 20% beginning in 2013 (which is also the top capital gains rate for high-income taxpayers).

Capital Gains Tax Rates for Sales of Investments

The capital gains tax rates that were in effect for 2012 have not changed for 2013 and the future. Therefore, the capital gains tax rates associated with long-term capital gains (investments which were owned more than one year) will continue to be taxed at a maximum rate of 15% UNLESS you are a “high-income taxpayer”.

Beginning in 2013, the capital gains tax rate has increased to 20% for high-income taxpayers. The same taxable income levels which are related to ordinary income will determine which taxpayers are subject to the higher 20% capital gains rate. “High-income taxpayers” are defined as those taxpayers with a total income over \$400,000 for singles, \$425,000 for heads of households, \$450,000 for joint filers, and \$225,000 for married persons filing separately.

The other capital gains rates will continue to be in effect::

- 25% rate on unrecaptured depreciation
- 28% rate on collectibles gains and Code Sec. 1202 gains

Taxpayers in the 10% and 15% tax brackets pay zero tax on long-term capital gains.

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Expiring Tax Deductions Which Were Extended

Several important tax breaks that were scheduled to expire on 12/31/12 have been extended. As a result, eligible taxpayers can claim:

- The deduction for state and local sales taxes (expires in 2013)
- The educator expense deduction (expires in 2013)
- Mortgage Insurance Premium deduction (expires in 2013)
- Rollovers of up to \$10,000/year from an IRA to a qualified charity. The amount is not included in gross income, and can also include the annual Required Minimum Distribution (RMD)
- Exclusion of employer provided transportation cost benefits. The 2012 amount for transportation fringe benefits is \$240 per month. The 2013 amount is projected to be \$245 per month.
- The tuition and fees deduction, and
- Cancellation of Debt on your primary residence by your mortgage company. Limit-\$2.0 million. Extended for one year.

Tax Deductions Rules Which Are New for 2013

- The phase-out of itemized deductions for high-income taxpayers (begins again in 2013)
- The phase-out of the personal exemption amount for high-income taxpayers (begins in 2013)

Tax Credits Which Were Extended

- The **Earned Income Tax Credit** for low-income taxpayers. Amount based on earned income and number of qualifying children. REFUNDABLE
- The **Child Tax Credit** for children who are under age 17. Maximum rate of \$ 1,000 per qualifying child is now permanent. PARTIALLY REFUNDABLE
- **Dependent Care Credit** for working parents to offset the high costs of child care. Amount based upon Adjusted Gross Income, number of children, and actual child care expenses NOT REFUNDABLE
- **Adoption Credit** or exclusion from income if employer provided. Maximum annual amount for 2012 \$12,650, adjusted annually for inflation. Permanent credit. NOT REFUNDABLE
- **Non-Business Energy Credit** Amount is 10% of the amount paid or incurred for qualified energy efficiency improvements (building envelope components) installed during the tax year. The credit applies only to qualified improvements made to a principal residence. Maximum lifetime credit is \$500. Must be reduced by the total credit amounts previously claimed after 2005. Extended until 12/31/13

Education and Retirement Saving Incentives

- **Employer-paid Education Assistance** Up to \$5,250 can be excluded from gross income for income tax purposes and from wages for employment tax purposes. Applies to both undergraduate and graduate courses. Exclusion is now PERMANENT.

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- **Scholarships from either the National Health Services Corps or the Armed Forces Scholarship Program** – Recipients of scholarships under these programs must perform certain services. Amounts received are excludable from gross income. PERMANENT.
- **Coverdell Education Savings Accounts** - Distributions for qualified education purposes are tax free. Annual Contribution limit is \$2,000. Exclusion expires 12/31/12.
- **Student Loan Interest Deduction** – Up to \$2,500/year. Subject to AGI limits. 60—month post graduation rule has been permanently removed.
- **American Opportunity Tax Credit** - renamed and enhanced the Hope credit. Maximum credit is \$2,500 compared to \$2,000 for Lifetime Learning Credit. The credit equals 100% of the first \$2,000 of qualified expenses, plus 25% of the next \$2,000 of qualified expenses, with a maximum credit of \$2,500. Eligible education include tuition; student-activity fees required as a condition of enrollment or attendance; and books, supplies, and equipment needed for courses (whether or not purchased from the educational institution). Provisions have been extended until 12/31/2017.
- **Roth 401(K) Conversions** - component of a company's 401(k) plan. Previously plan participants could only convert traditional accounts to Roth 401(k)s during times when distributions were permissible (e.g., leaving the company or attaining age 59). All restrictions have been removed.

□ **Standard Deduction and Exemptions:**

If your filing status is...	Your standard deduction is:
Single or Married filing separately	\$5,950
Married filing jointly or Qualifying widow(er) with dependent child	11,900
Head of household	8,700

The deduction amount for each “exemption” claimed on your tax return is \$3,800.00.

□ **Standard Mileage rates** The 2012 standard mileage rates (in lieu of actual expenses incurred) are as follows:

1. Business Use – January 1 – December 31 = \$.55/mile
2. Medical Care – January 1 – December 31 = \$.23/mile
3. Moving - January 1 – December 31 = \$.23/mile
4. Charitable donations & Activities – January 1 – December 31 = \$.14/mile