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## Annual 2015 Tax Newsletter

Greetings and welcome to a New Tax Year!

There have been many tax law changes for 2015. Listed below are some of the more relevant issues that most taxpayers will be facing.

### Affordable Care Act Penalty

Individuals with no coverage in 2015 or not exempt from coverage, will be taxed the greater of 2% of household income or \$325.00 per adult and \$162.50 per child. For 2015 the maximum penalty is \$975.00. This jumps to \$2,085 in 2016.

### Who Must File Rules

The threshold limits continue to rise for eligible taxpayers. Single filers under 65 are exempt if gross income falls below \$10,300; \$11,850 if over 65. Joint filers are exempt for incomes below \$20,600 if under 65; \$23,100 if over. Head of household filers are exempt if income is below \$13,250 for under 65; \$14,800 for 65 or older. Married filing separately, any age, limit is \$4,000. For qualifying widow/widower under 65 the limit is \$16,600, over 65 it is \$17,850. Other conditions may apply. Please call the office to discuss special considerations.

### Medical Deduction Threshold Point

Taxpayers under 65 are denied medical expense deductions unless expenses exceed 10% of adjusted gross income. Taxpayers over 65 have a 7.5% threshold until 2017 when the 10% limit applies.

### Retirement and Benefit Contribution Limits

For 2015, IRA/ROTH contributions can be made up to \$5,500 if under age 55; \$6,500 over 55. Health Savings Account contributions are \$3,300 for self-covered plans and \$6,550 for family plans. Taxpayers over 55 can add an additional \$1,000. In 2016 the limit stays the same for self plans, \$6,750 for families.

### Tax Code Extensions

Tax deductions through 2015 were approved for most taxpayers incurring expenses for state and local taxes, educator expenses, energy improvements, business tax credits, and military benefits. Specific issues can be discussed during the interview session with us.

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## Key 2015 Tax Information

### Personal Exemption

Item	2015	2014	Change
Personal Exemption	\$4,000	\$3,950	+50
Exemption Phase-out	Reduce exemptions by 2% for each \$2,500 (or any part thereof) & \$1,250 MFS over the phase-out threshold amounts listed below		
Single		\$258,250	
Head of household		\$284,050	
Married joint/Widow		\$309,900	
Married filing separate		\$154,950	

### Standard Deductions

Item	2015	2014	Change
Single	\$6,300	\$6,200	+\$100
Married joint/widow	\$12,600	\$12,400	+\$200
Head of household	\$9,250	\$9,100	+\$150
Married filing separate	\$6,300	\$6,200	+\$100

### Mileage Rates

Item	2015	2014	Change
Business	57.5¢/mi	56¢/mi	+1.5¢
Medical/Moving	23¢/mi	23.5¢/mi	-.5¢
Charitable	14¢/mi	14¢/mi	0¢

### Long Term Capital Gains

Item	2015	2014	Change
10% - 15% income tax brackets	\$0	\$0	—
All other income tax brackets	20%	20%	0%

## Often Overlooked Deduction: Non-cash Contributions

- ✓ Remember, non-cash contributions can add up to a meaningful itemized deduction item on your tax return. This includes donations of used clothing, household items, and furnishings. To ensure your donations are counted, here are some tips:
- ✓ Create a list of the items you contribute.
- ✓ Lay out the items and take a photo of them.
- ✓ In your listing please include the original value of the item, what the item was worth at the time of purchase, the approximate date you acquired it, the value of the item when donated, and how you determined the value.
- ✓ Note the organization that received your donated items.
- ✓ Include a clause that you did not donate partial ownership of the item
- ✓ Receive a donation confirmation from the charity.
- ✓ Include any mileage to and from the charity. That is deductible as well.
- ✓ Only items donated that are in good or better condition may qualify for a deduction.

*It is best to call prior to donating large, valuable items (like vehicles) to ensure you receive proper documentation and you receive the full value of your donation on your tax return.*

## Income Brackets for 2015 Tax Rates

Tax Rate	Single	Married filing Joint/ Widow	Head of Household	Married Filing Separate
10%	\$ 0 to \$9,225	\$0 to \$18,450	\$0 - \$13,150	\$0 - \$9,225
15%	\$9,226 to \$37,450	\$18,451 to \$74,900	\$13,151 to \$50,200	\$9,226 - \$37,450
25%	\$37,451 to \$90,750	\$74,901 to \$151,200	\$50,201 to \$129,600	\$37,451 - \$75,600
28%	\$90,751 to \$189,300	\$151,201 to \$230,450	\$129,601 to \$209,850	\$75,601 - \$115,225
33%	\$189,301 to \$411,500	\$230,451 to \$411,500	\$209,851 to \$411,500	\$115,226 - \$205,750
35%	\$411,501 to \$413,200	\$411,501 to \$464,850	\$411,501 to \$439,000	\$205,751 - \$232,425
39.6%	\$413,201+	\$464,851+	\$439,001+	\$232,426+

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