

KAKENMASTER

REPORT

A Newsletter from Kakenmaster & Associates and Libertyville Insurance Agency

Data Sheet Issue 2014

Volume XVII Issue III

2014/15 Tax Information

2015 Mileage Rates

Standard rate for business driving: 57.5¢ per mile (an increase of 1.5¢ per mile). If the standard rate is used, the vehicle depreciation rate decreases to 23¢ per mile.
Medical and moving rates: 23¢ per mile (a decrease of .5¢ per mile). *Charitable driving:* 14¢ per mile.

2015 S.S. Wage Base

The S.S. wage base is \$118,500. FICA rate is 6.2%. The Medicare tax continues at 1.45% for both the employee's and the employer's portion. The self-employed taxpayer will pay 15.3% on the first \$118,500 and 2.9% after this point.

2014 Tax Information for High Income Filers

An additional Medicare tax on investments and unearned income of 3.8% and an additional 0.9% Medicare tax on wages and self-employment is in effect for single filers with adjusted gross incomes above \$200,000 and \$250,000 for married filers. The top tax rate remains at 39.6% for singles earning more than \$406,750 and \$457,600 for married couples. The tax rate on capital gains and dividends remains at 20% at the 39.6% ordinary income tax rate. These rates could have a significant impact on high income filers.

Health Insurance and 2014 Tax Returns

The 2014 tax year marks the first year that Americans were required to have health insurance (including Medicare and Medicaid). You will also have to prove whether you were insured or exempt from having health insurance on your 2014 tax return. If you were covered by health insurance for the entire year through your employer, your cost for this coverage will be reported on your W-2, and there is no need to provide further information for tax purposes. However, if you did not have coverage you will need to provide more details for your tax return such as did your

place of employment offer insurance and what would your costs have been to purchase. If you were uninsured for longer than three months and do not qualify for an exemption, you may incur a tax penalty on your 2014 taxes.

For those who purchased health insurance through the Health Insurance Marketplace, you will receive Form 1095-A, which will show details of your insurance coverage. Please include this form with your tax information. In addition, if you received a health premium tax credit, this will need to be reconciled against the actual credit allowed. ■

2014 Tax Checklist

- Did any births, adoptions, marriages, divorces, or deaths occur in your family during the year?
- Can you or your spouse be claimed as a dependent by someone else?
- Did you have a change in residence or job location during the year?
- Did you use your vehicle on the job other than for commuting to and from work?
- Did you have an employer-provided vehicle which you drove home or used personally?
- Did you work out of town at any time during the year?
- Did you start a new business or purchase/sell any rental property during 2014?
- Did you purchase, sell, or refinance your principal home or your second home or take out a home equity loan during the year?
- Have you purchased any business assets (furniture, equipment, etc.) or converted any assets to business use? If yes, please list on attached sheet. Also, bring closing papers for purchases of real estate.
- Did you dispose of any business assets (including real estate)? If yes, list on attached sheet. Bring closing papers for the sale of any real estate.
- Did you receive any notices from the IRS or the state? If yes, please attach notice.
- Did you convert a traditional IRA to a Roth IRA in 2014?
- Did you receive any type of prize or award during 2014?
- Did you engage in any bartering transactions in 2014?

Checklist cont'd on back page

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*Kakenmaster & Associates
wishes you and yours a
healthy, happy, and
rewarding 2015!*

*Financial, Insurance, and Real Estate
Services for Businesses and Individuals*

Tax Appointments

Schedule your tax appointment soon to help assure that you will receive the appointment time that is best for you.

Drop-Off Service:
Kakenmaster & Associates also offers a tax drop-off service. Just drop off or mail in your tax information and data sheet, and your taxes will be completed within days (time may vary if a specific preparer is requested).

Electronic Filing: All returns are filed electronically. The IRS usually has a two-week turnaround time. Even if you have a balance due, your return can be filed electronically. **Payment is not due until April 15, 2015.**

2014 Tax Checklist, Cont'd...

- Did you redeem any U.S. Savings Bonds during 2014?
- Does anyone owe you money which has become uncollectible?
- Did you incur a loss due to damaged or stolen property?
- Did you or your spouse "rollover" a profit sharing or retirement plan distribution into another plan?
- Did you make any gifts totaling over \$14,000 to any one person in 2014?
- Do you have any children or dependents under age 18 that had unearned income of over \$2,000 in 2014?
- Do you have any household employees?
- Do you need any supplemental data sheets? (see page 4 for more information)
- Do you anticipate any significant changes in your financial situation in 2015?
- Did you have \$10,000 or more in a foreign bank account at anytime during 2014?
- Did you have an interest in or signature over a bank or brokerage account in a foreign country, or were a grantor of or transferor to a foreign trust in 2014?

If this is your first time filing with **Kakenmaster & Associates**, please include a copy of last year's tax return. We also offer a discount for the referral of a new client. Give the coupon below to the new client and when they come in, we will send you a check for \$30.00, and they will receive \$30.00 off their tax preparation fee. Please note that we will no longer bill for services. Payment may be made by check or credit card upon delivery of your return. *Thank you.* If you have any questions, please call **847-367-0888**. ■

New Client Coupon

This referral coupon is good for a **\$30.00 discount** on 2014 tax preparation fees for new clients at:

Kakenmaster Tax Service
333 Peterson Road
Libertyville, IL 60048
847/367-0888

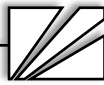
This referral is from:

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This referral is from:



2014 Tax Data Sheet

Your Name	S.S. #	Date of Birth (D.O.B.)	Occupation
Spouse's Name	S.S. #	D.O.B.	Occupation
Address	City	State	Zip Code
Home Phone Number	Work Phone Number	E-mail Address	Cell Phone
Additional Contact Information	Spouse's Work Phone Number	Spouse's Email Address	Spouse's Cell Phone

Dependents

1) Name	S.S. #	D.O.B.	Relationship Number of months lived in your home? ____ Full-time student? ____ Yes ____ No
2) Name	S.S. #	D.O.B.	Relationship Number of months lived in your home? ____ Full-time student? ____ Yes ____ No
3) Name	S.S. #	D.O.B.	Relationship Number of months lived in your home? ____ Full-time student? ____ Yes ____ No
4) Name	S.S. #	D.O.B.	Relationship Number of months lived in your home? ____ Full-time student? ____ Yes ____ No
5) Name	S.S. #	D.O.B.	Relationship Number of months lived in your home? ____ Full-time student? ____ Yes ____ No

Provide Form 8332 if non-custodial parent claiming dependent.

Taxpayer IP Pin: _____ If you have reported identity theft to the IRS, they may have sent you a six-digit identity protection personal identification number that needs to be included on your return.

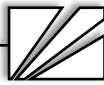
Income: Furnish complete information. If necessary, please attach any explanatory notes on a separate sheet.

- Alimony Received
- Annuities
- Capital Gains (Losses)*
- Commissions
- Debt Cancellation
- Disability Pay
- Dividends
- Farming
- HSA/MSA Withdrawals
- Interest
- IRA Conversion
- IRA/Pension Distribution
- IRA Rollover
- Jury Duty
- (K-1) Partnerships/Trust/
S-Corporations
- Lawsuit Settlement
- Long-term Care
Reimbursement
- Lottery/Gambling
- Railroad Retirement
- Rental Income
- Scholarships
- Second Job
- Self Employment
- Social Security
- State Tax Refund
- Stock Options
- Tips
- Unemployment
Compensation
- Wages

*Enclose all data regarding selling, including the date purchased, date sold, the name of the stock, cost to acquire, and the amount received. Enclose all 1099B forms from the brokers.

Use Tax: Total of purchases from companies outside the state you reside in for which you did not pay your state's applicable sales tax. \$ _____

Direct Deposit or Direct Debit: If you would like to have your refund direct deposited or your balance due debited, please include a copy of a voided check for your bank account.



Itemized Deductions

Un-reimbursed Medical Expenses:

(Must exceed 10% of adjusted gross income or 7.5% if you or your spouse were born before January 2, 1949.)
Hospital, M.D., D.D.S., prescriptions, eye care, long-term care expenses, medical equipment, home healthcare, etc.

Long-term Care Insurance Premiums: \$ _____ Medical Insurance Premiums: \$ _____

Total un-reimbursed medical expenses: \$ _____

Medical travel miles: _____

Lodging while receiving treatment: \$ _____ Handicap school: \$ _____

HSA/MSA Deposits: \$ _____ (Other than amounts withheld by employer)

* If you or your spouse is legally blind, please enclose certificate.

Real Estate Tax Paid:

Personal Residence: \$ _____ 2nd Home: \$ _____ Other: \$ _____

Sales Tax Paid: Auto: \$ _____ R.V.: \$ _____ Mobile Home: \$ _____ Boat: \$ _____

Building Materials: \$ _____ Motorcycle: \$ _____

Interest Expenses:

Home Mortgage: \$ _____ 2nd Home: \$ _____

Other: \$ _____ Home Equity Loan: \$ _____

Mortgage Insurance Premiums: \$ _____ Points paid on new or refinanced loan: \$ _____

Contract Purchase: \$ _____ Contract Holder's Name and S.S.#: _____

Student loan interest paid: \$ _____ Investment interest on margin account: \$ _____

Charitable Contributions:

Be sure you have an IRS approved statement from a qualifying charitable organization for all cash contributions and contributions of \$250 or more.

Religious Organizations: \$ _____ Payroll Deductions: \$ _____ Donated Goods*: \$ _____

Other Charitable Donations: \$ _____ Volunteer Service Mileage: _____

Charitable Contributions from an IRA: Direct Donation Amount: \$ _____

* Must be in good or better condition and have receipts to claim donations on tax return, as well as photos as proof of each item's condition. (Include 1098-C for used car donation to charity)

Other Miscellaneous Deductions:

Job-Related Expenses:

(Expenses must exceed 2% of adjusted gross income.)

Uniforms: \$ _____ Malpractice Insurance: \$ _____ Union Dues: \$ _____

Professional Dues/Licenses: \$ _____ Tax Consultation: \$ _____ Work Tools: \$ _____

Safety Equipment: \$ _____ Asset Management Fees: \$ _____

Job Education/Tuition/Books: \$ _____ Mileage: _____

Job Seeking Expenses: Travel: \$ _____ Phone: \$ _____ Mileage: _____

Childcare Expenses:

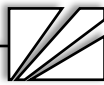
1) Amount paid: \$ _____ To Whom: _____ S.S./FEIN #: _____

Services in your home? Yes _____ No _____

2) Amount paid: \$ _____ To Whom: _____ S.S./FEIN #: _____

Services in your home? Yes _____ No _____

3) Summer Camp Costs: \$ _____ (This is only deductible if the child went to camp to allow parents to work. It does not include the cost of overnight camp.)



Retirement Contributions:

	Roth	Traditional IRA	SEP	SIMPLE	Keogh
Taxpayer: \$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Spouse: \$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

Qualified Education Expenses:

Post Secondary (attach 1098-T)

Tuition Paid: \$ _____ Date Paid: _____ Year in School: _____ For Whom: _____

Qualified Educational Expenses (Grades K-12)

Tuition: \$ _____ Books/Fees: \$ _____ For Whom: _____

Grade in school: _____ Name of School: _____

Qualified Tuition Programs (529 Plans)

Contribution: \$ _____ Distribution: \$ _____ Transfers: \$ _____

Home State Plan? Yes _____ No _____

Residential Energy-Efficient Property Credits:

Solar Powered Equipment Costs: \$ _____ Qualified Fuel Cell Property Costs: \$ _____

Geothermal Heat Pump Property Costs: \$ _____ Wind Energy Property Costs: \$ _____

Alternative Fuel Charging Station: \$ _____

Have you received the energy credit before? If so, what year? _____

Energy Efficient Home Improvements: Please list purchases such as a new furnace, water heater, air conditioner, insulation, exterior doors/windows, and highly reflective roofing in the section below.

Please bring certification of energy efficiency from manufacturer.

Item: _____ Cost: \$ _____ Item: _____ Cost: \$ _____

Item: _____ Cost: \$ _____ Item: _____ Cost: \$ _____

Estimated Taxes Paid:

Federal Taxes:	1st payment	2nd payment	3rd payment	4th payment
Date Paid:	_____	Date Paid: _____	Date Paid: _____	Date Paid: _____
Amount: \$	_____	Amount: \$ _____	Amount: \$ _____	Amount: \$ _____

State Taxes:	1st payment	2nd payment	3rd payment	4th payment
Date Paid:	_____	Date Paid: _____	Date Paid: _____	Date Paid: _____
Amount: \$	_____	Amount: \$ _____	Amount: \$ _____	Amount: \$ _____

Alimony Paid: Name: _____ S.S. #: _____ Amount: \$ _____

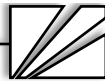
Gambling Losses: \$ _____ (Please call the office or visit the website for a gambling expense record sheet. A listing from the casino of amounts gambled is no longer an acceptable proof of gambling losses.)

Supplemental Data Sheets:

If you have any of the following items, visit www.kakenmaster.com or call our office for additional data sheets that we can fax, mail, or e-mail to you:

- **Moving expenses**
- **Capital gains worksheet**
- **Gambling**
- **Auto use for business (un-reimbursed)**
- **Business travel expenses (un-reimbursed)**
- **Earned income credit worksheet**
- **Home office use for business**
- **Rental income and expenses**

Should we make a mistake, our policy is to correct it at no additional cost. If there are penalties and interest charges resulting from the mistake, these will be paid by us up to the amount of the preparation fee. If this is your first time filing with **Kakenmaster & Associates**, please include a copy of last year's tax return. If you have any questions, please call 847-367-0888. *Thank you for your cooperation.*



**Kakenmaster and Associates, Inc.
Libertyville Insurance Agency, Inc.**

Privacy Policy Notice

We understand that you have provided certain personal and financial information necessary to process your transactions. We always have and will continue to take very seriously the obligation to keep that information confidential and private. Under federal law you have the right to know what information is being collected about you and how that information will be used.

Information we receive from interviews regarding your tax situation;

Information we receive on applications, organizers, or by other means, such as your name, address, telephone number, social security number, dependents, income and other tax-related data;

Information from tax-related documents you provide that are required to process tax returns, such as Forms W-2, 1099R, 1099-INT and 1099-DIV, and stock transactions, etc.

We will not disclose any nonpublic personal information about our customers or former customers to anyone, except as permitted by law. Under the law, the information we collect is provided to companies that perform support services on our behalf as necessary to effect,

administer, or process a transaction, or for maintaining and servicing your account.

We do not give or sell information about you or your accounts to any other company, individual or group.

We restrict access to nonpublic personal information about you to those employees who need to know that information to provide products or services to you. We maintain physical, electronic, and procedural safeguards that comply with federal standards to guard your nonpublic personal information.

No action is required on your part. This notice is meant to inform you how we safeguard your nonpublic personal financial information. You may wish to file this notice with your financial records.

If you have any questions about our Privacy Policy, please contact us. Thank you for reviewing our privacy commitment to you and for your trust in us.

Sincerely,

Peter Kakenmaster
Mark Kakenmaster