



Vol XV, Issue 4
April 2010

Preparing for Tax Season(s)

As if taxes and insurance were not complicated enough:

Here's how the health care overhaul would affect taxpayers, according to The Tax Institute at H&R Block:

Taxpayers without qualifying health care coverage:

- Beginning in 2014, taxpayers who are required to obtain or maintain qualifying health care coverage will face a penalty if they do not comply. The penalty increases from \$95 in 2014 to \$695 in 2016. They must file a return substantiating required coverage beginning in 2014.
- Certain individuals may qualify for a subsidy to help cover the cost of insurance. This subsidy will be administered through the insurance company, with any difference being reconciled through the individual tax return.

Based on the 2009 poverty level data currently in effect, a family of four with household income less than \$88,200 would qualify for this subsidy.

Taxpayers who contribute to flexible spending accounts or health savings accounts:

- Beginning in 2011, only prescribed drugs and insulin will be reimbursable through flexible spending accounts or health savings accounts. As a result, over-the-counter drugs such as aspirin or medical-related items such as bandages will no longer be qualified expenses for HAS or FSA purposes.
- Beginning in 2013, the annual contribution to a flexible spending account is limited to \$2,500. The current limit is \$5,000.
- The penalty for non-qualified distributions from health savings accounts increases from 10% to 20% in 2011.

Taxpayers with large medical expenses:

- For 2013-2016, the threshold for deducting medical expenses is increased from 7.5% of adjusted gross income to 10%. The threshold is not changed for individuals who are at least age 65 by the end of the year.

Higher-income taxpayers:

- Beginning in 2013, the 1.45% employee portion of Medicare tax will increase by 0.9 percentage points for taxpayers with earned income in excess of \$200,000, or \$250,000 for joint filers. Any tax not fully withheld and sent to the government by the employer must be paid by the employee through their tax return. This also applies to self-employment income.
- Also in 2013, taxpayers with adjusted income more than \$200,000 (\$250,000 for joint filers) will be subject to an additional 3.8% tax on net investment income (such as interest, dividends, capital gains).

Taxpayers who adopt children:

- Effective in 2010, the bill makes the adoption credit refundable, increases the credit by \$1,000 and extends the increased adoption credit through 2011.

Gerloff Company^{Inc}

C A T A S T R O P H E M A N A G E M E N T

- Project Management
- Reconstruction/Restoration
- Fire & Water Restoration
- Contents Cleaning & Restoration
- Deodorization
- Structural Cleaning
- Demolition & Debris Removal
- Fire Investigation Support
- Pack Out & Storage

San Antonio

Phone: 210-490-2777
Fax: 210-494-0610
Toll-Free: 800-486-3621

Austin

Phone: 512-443-8822
Fax: 512-443-8877
www.gerloffinc.com

GERLOFF REMEDIATION LTD.

- Mold Remediation
- Indoor Air Quality Services

Phone: 210-490-7108
Fax: 210-490-7478
www.gcirem.com

14955 Bulverde Road
San Antonio, Texas 78247

Serving Texas Since 1985

Events

- April 1: SACA Spring Fest
- April 1: Austin Claim Luncheon
- April 8: IREM Luncheon
- April 16-17: IWSA Mid-Year Conference
- April 13: SACA Luncheon
- April 15: BOMA, IFMA, IREM Joint Luncheon
- April 20: IASA Luncheon
- April 21: SAABEL uncheon
- April 22: IWSA Luncheon
- April 28: SA BOMA Luncheon



April 2010

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
				1 SACA Spring Fest Austin Claim Luncheon	2	3
4	5	6	7	8 IREM Luncheon	9	10
11	12	13 SACA Luncheon	14	15 BOMA, IFMA, IREM Joint Luncheon	16 -----IWSA Mid-Year	17 Conference-----
18	19	20 IASA Luncheon	21 SAABE Luncheon	22 IWSA Luncheon	23	24
25	26	27	28 SA BOMA Luncheon	29	30	

For a Complete List of our Continuing Education Classes
visit our websites: www.gerloffinc.com or www.gcirem.com