For Immediate Release
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Making Changes Now Could Reduce Your Taxes for 2015

(Washington, DC – March 16, 2015) While taxes are on your mind, it's a good idea to be aware of what's going to change in 2015. You may need to make some adjustments so that this time next year you can feel good about having minimized your 2015 tax burden. *Please keep in mind that these changes are for this year's taxes, and not last year's.*

Those of you trying to maximize your contributions to a 401(k) plan, take note: the limit on employee contributions has increased this year to $18,000, $500 more than last year's limit. If you haven't done so already, get thee to the payroll department and increase your contribution to lower your taxable income for the year and get that interest compounding. The "catch-up" allowance for workers over 50 years-old has been increased to $6,000 from $5,500. If you are over fifty and behind on saving for your golden years, jump on this.

While you're down there in the payroll department, you may want to have a word with them about your Flexible Spending Account. The annual limit on employee contributions to FSAs is up $50 from 2014 to $2,550 for qualified health care expenses.

Income tax brackets have been adjusted up again for inflation. This year, single filers who make over $413,200 will have the dubious honor of being in the highest tax bracket and subject to a 39.6 percent tax rate. Married couples making $464,850 and above will also be in the highest bracket. In both cases, that's about 1.6 percent higher than last year.

The standard deduction, the amount that non-itemizers may subtract from their income, has grown to $6,300 for single filers and $12,600 for married taxpayers filing jointly in 2015.

Another change in 2015 is that investors are now limited to one rollover from one IRA to another in any 12-month period, regardless of how many IRAs you own. Ignore this at the risk of incurring penalties and interest – you may well have to pay income taxes on a second rollover, a 10 percent early withdrawal penalty, and a 6 percent per year excess contributions tax, as long as that rollover remains in the IRA. Painful!

The Alternative Minimum Tax (AMT), which was devised to keep the very rich from getting off with lots of deductions that lowered their taxes, continues to be the bane of the middle class, who became caught in it because for so many years it was not indexed for inflation. Since 2012, it has been indexed for inflation and in 2015 the exemption amount increased 1.5 percent over 2014 to $53,600 for individuals or $83,400 for joint filers. The AMT disallows a lot of deductions that are otherwise allowed, and is so confusing that it sends a lot of taxpayers to the "Find an EA" directory on the website of the National Association of Enrolled Agents to find a licensed tax professional in their area.

It's important to take a fresh look at your financial situation every new tax year. Enrolled agents ("EAs") are licensed by the U.S. Department of Treasury after passing a stringent three-part exam on taxation and undergoing a background check. They must complete IRS-approved continuing education to keep the license. You can locate an EA in your area using the “Find an EA” directory at www.naea.org.