

# Beyond the Fiscal Cliff

for the Independent Oil Marketers Association of  
New England

The good and the bad.



**GRAY GRAY & GRAY**  
CERTIFIED PUBLIC ACCOUNTANTS | ADVISORS  
BEYOND THE NUMBERS

Presented By  
Michael D. Koppel, CPA, MBA, PFS, CITP

# Introduction



Joe Ciccarello, CPA, MST

781-407-0300

[jciccarello@gggcpas.com](mailto:jciccarello@gggcpas.com)

# Today's Presenter



Michael D. Koppel, CPA, MBA, PFS, CITP  
Direct line: 781-493-3254  
Cell: 617-775-2129  
[mkoppel@gggcpas.com](mailto:mkoppel@gggcpas.com)

# American Taxpayer Relief Act 2012


# Don't let the tax tail wag the economic dog!



**“Thanks to Congress for keeping its wayward members off roads & out of bars on New Year's.”**

**“The morning after, as so often happens, there were regrets.”**

**“Scanned entire fiscal cliff bill for best tax breaks. Algae and economic development of American Samoa.”**

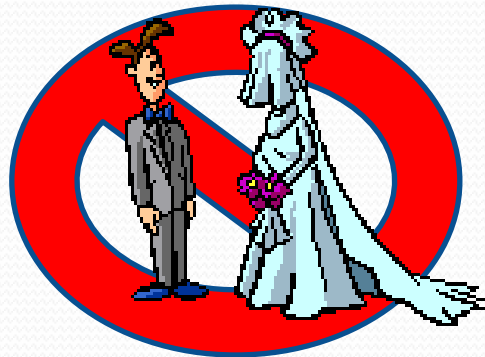


# PAYROLL TAX HOLIDAY



# 39.6 % TAX BRACKET

<b>SINGLE</b>	<b>\$400,000</b>
<b>MARRIED FILING JOINT</b>	<b>\$450,000</b>
<b>HEAD OF HOUSEHOLD</b>	<b>\$425,000</b>
<b>MARRIED FILING SEPARATELY</b>	<b>\$225,000</b>





# CAPITAL GAINS & DIVIDENDS

20%

- Same thresholds as 39.6% rate
- Remember 3.8% NII
- Consider electing out of installment sale
- Recapture rates remain

# ESTATES AND TRUSTS DO NOT ESCAPE



# TRUST PLANNING



**AMT permanently indexed  
for inflation.**

**Non-refundable PERSONAL  
credits can be used against AMT.**



# PEASE LIMITATION ITEMIZED DEDUCTION PHASE-OUT

- **\$300,000 MFJ, \$250,000 SINGLE**
- **Medical expense, investment interest, casualty losses and wagering losses excluded**
- **Charitable donations not excluded**
- **Up to 80% can be phased-out**
- **3% OF AGI (\$250,000 SINGLE, \$300,000 MFJ)**

# BUNCHING





# PERSONAL EXEMPTION PHASE-OUT

2% for each \$2,500



INDEPENDENT OIL MARKETERS ASSOCIATION

**IOmANE**  
of new england

**GRAY GRAY & GRAY**  
CERTIFIED PUBLIC ACCOUNTANTS | ADVISORS  
BEYOND THE NUMBERS



# IN-SERVICE CONVERSION TO ROTH 401(k) REGARDLESS OF AGE



INDEPENDENT OIL MARKETERS ASSOCIATION

**IOmANE**  
of new england

**GRAY GRAY & GRAY**  
CERTIFIED PUBLIC ACCOUNTANTS | ADVISORS  
BEYOND THE NUMBERS

# EDUCATION

- American opportunity credit extended thru 2017
- **\$5,250** exclusion for business education made permanent
- Student loan interest deduction made permanent
- Deduction for tuition & expenses extended through 2013



# INDIVIDUAL OTHER

- State and local sales tax deduction
- Child tax credit
- Earned income credit
- Adoption credit / assistance
- Child & dependent care credit
- Teacher class room deduction
- Capital gain property donation for conservation

# GIFT, ESTATE & GST

- Exclusion \$5,000,000 indexed (\$5,250,000) for inflation
- Portability
- 40% tax
- Permanent
- No other changes
- Why gifts are still important



# §179

- RETROACTIVE 2012 & 2013
- \$500,000 / \$2,000,000





# BONUS DEPRECIATION

- 50%
- Through 2013



# BUSINESS CREDITS

- R & D CREDIT – Retroactive through 2013
- WOTC – Retroactive through 2013
- Most other business credits







# PPACA (OBAMACARE) PLANNING

- NII – Waiting for Reg
- Earned income
  - S CORP
  - LLC
- When to start counting



# REPAIR REGS

- Early adoption?
- Effective 2014
- Final Reg



# WORKER CLASSIFICATION



# MORE TO COME!

## DEBT CEILING SEQUESTRATION



**REMEMBER!**

**In tax, the definition of  
“permanent” is “until congress  
changes it”**





# Questions



Michael D. Koppel, CPA, MBA, PFS, CITP

Direct line: 781-493-3254

Cell: 617-775-2129

Email: [mkoppel@gggcpas.com](mailto:mkoppel@gggcpas.com)



# Disclaimer

The contents of this webinar intended for educational purposes only.

This webinar provides a brief summary based on our understanding and interpretation of current law. All tax references are to federal tax law only, unless otherwise stated.

The information contained in this webinar is general in nature and is based on authorities that are subject to change. It is not, and should not be construed as accounting, legal or tax advice or opinion provided by Gray, Gray & Gray, LLP. The material presented may not be applicable to, or suitable for, specific circumstances or needs, and may require consideration of non-tax factors and tax factors not described herein. Contact Gray, Gray & Gray or another tax professional prior to taking any action based upon this information. Changes in tax laws or other factors could affect, on a prospective or retroactive basis the information contained herein; Gray, Gray & Gray assumes no obligation to inform the reader/webinar attendee of any such changes.

The material presented in this webinar is not intended to, and cannot be used to, avoid IRS penalties. This material supports the marketing and promotion of accounting services. Seek advice based on your particular circumstances from independent tax, legal accounting, insurance, investment and financial advisors.

Michael D. Koppel, CPA, CPFS is a Certified Public Accountant in Massachusetts and is a tax advisor at Gray, Gray & Gray, LLP.

# Contact Us



**CERTIFIED PUBLIC ACCOUNTANTS**  
***VISION • DIRECTION • SUCCESS***

**34 Southwest Park, Westwood, MA**

**781.407.0300**

**[www.gggcpas.com](http://www.gggcpas.com)**

