

# Tax Update & Same Sex Marriage

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# Filing Status

- ▶ Married – joint & severally responsible
- ▶ Married Filing Separately
  - Itemize vs Standard Deduction
- ▶ Head of Household – special rules
  - \*\* Filing Single is not an option \*\*



# Marriage Penalty ?

- Standard deduction doubled for joint filers vs single - \$12,200 vs \$6,100
- Income range for 10-15% tax bracket doubled for joint vs single

Tax				
Bracket	Single		Joint	
10%	-	8,925	-	17,850
15%	8,925	36,250	17,850	72,500
25%	36,250	87,850	72,500	146,400
28%	87,850	183,250	146,400	223,050
33%	183,250	398,350	223,050	398,350
35%	398,350	400,000	398,350	450,000
39.6%	400,000		450,000	

# Phaseouts

## 2013 AGI PHASEOUT THRESHOLD START POINTS

			Married Filing
	Joint	Single	Separately
Itemized Deductions	300,000	250,000	150,000
Personal Exemptions	300,000	250,000	150,000
Maximum Net Capital Gains	450,000	400,000	225,000
Net Investment Income Surtax (3.8%)	250,000	200,000	125,000
Additional Medicare Tax (.9%)	250,000	200,000	125,000
Child Tax Credit	110,000	75,000	55,000
American Opportunity Credit	160,000	80,000	-
Lifetime Learning Credit	107,000	53,000	-
Roth IRA Eligibility	178,000	112,000	**

\*\* \$10,000 if lived with spouse at anytime during tax year; or

\$112,000 if did not live with spouse at anytime during tax year (same as single rate)

# Other Considerations

- ▶ Alternative Minimum Tax (AMT) exemption amounts:
  - Single = \$51,900      Joint = 80,800
- ▶ Capital losses limited to \$3,000 regardless if single or married
- ▶ Primary residence home sale –
  - Single \$250K vs Married \$500K



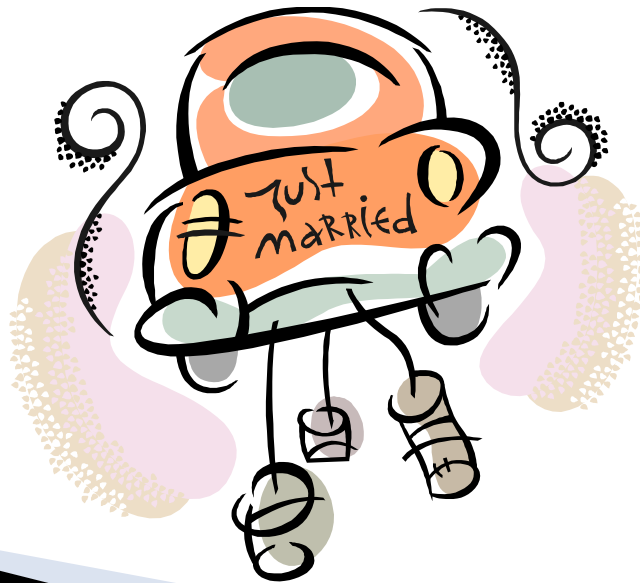
# Gift, Estate, Retirement

- ▶ Gifts
  - Unlimited marital deduction
  - Gift splitting
- ▶ Estates
  - Portability
- ▶ Retirement Plans
  - Participant's account paid to spouse upon death



# State Tax Filings

- ▶ North Carolina
  - Currently must file Single
- ▶ Other States – Depends
- ▶ More legislation to follow



# Amended Tax Returns

## ▶ Limitation Period

- Three years from the date the return was filed or
- Two years from the date the tax was paid
- Typically, tax for tax years 2010, 2011 and 2012

## ▶ Beneficial ?

