

What's New

This section summarizes important tax changes that took effect in 2014. Most of these changes are discussed in more detail throughout this publication.

Future developments. For the latest information about the tax law topics covered in this publication, including information about any tax legislation, go to www.irs.gov/pub17.

Health care: individual responsibility. You must either:

- Indicate on your 2014 federal income tax return that you, your spouse (if filing jointly), and your dependents had health care coverage throughout 2014;
- Claim an exemption from the health care coverage requirement for some or all of 2014 and attach Form 8965 to your return; or
- Make a shared responsibility payment if, for any month in 2014, you, your spouse (if filing jointly), or your dependents did not have coverage and do not qualify for a coverage exemption.

See the Instructions for Form 8965 for details.

Premium tax credit. You may be eligible to claim the premium tax credit if you, your spouse, or a dependent enrolled in health insurance through the Health Insurance Marketplace. See [chapter 37](#) for more information.

Advance payments of the premium tax credit. Advance payments of the premium tax credit

may have been made to a health insurer to help pay for the insurance coverage of you, your spouse, or your dependent. If advance payments of the premium tax credit were made, you must file a 2014 return and Form 8962. For more information, see [chapter 37](#).

Form 1095-A. If you, your spouse, or a dependent enrolled in health insurance through the Health Insurance Marketplace, you should have received Form(s) 1095-A. If you receive Form(s) 1095-A, save it. It will help you figure your premium tax credit. If you did not receive a Form 1095-A, contact the Marketplace. See [chapter 37](#) for information about the premium tax credit.

Medicaid waiver payments. If you received certain payments under a Medicaid waiver program for caring for someone who lives in your home with you, you may be able to exclude these amounts from your income. See [chapters 12 and 36](#). If you reported these payments on your return for 2013 or an earlier year, see www.irs.gov/Individuals/Certain-Medicaid-Waiver-Payments-May-Be-Excludable-From-Income. You may want to file Form 1040X to amend that prior year return.

Expired tax benefits. At the time this publication was prepared for printing, certain tax benefits had expired. These included the following:

- Tuition and fees deduction.
- Deduction for educator expenses in figuring adjusted gross income.

- Deduction for state and local general sales taxes.
- The exclusion from income of qualified charitable distributions from IRAs.
- Credit for certain nonbusiness energy property.
- Deduction for mortgage insurance premiums.

You can find out whether legislation extended these and other tax benefits to allow you to claim them on your 2014 return at www.irs.gov/formspubs.

Pell grants and other scholarships or fellowships. Choosing to include otherwise tax-free scholarships or fellowships in your income can increase an education credit and lower your total tax or increase your refund. See the instructions for Form 8863 and Pub. 970, Tax Benefits for Education, for more information.

Personal exemption amount increased for certain taxpayers. Your personal exemption is increased to \$3,950. But the amount is reduced if your adjusted gross income is more than:

- \$152,525 if married filing separately,
- \$254,200 if single,
- \$279,650 if head of household, or
- \$305,050 if any other filing status.

See [chapter 3](#).

Standard mileage rates. The 2014 rate for business use of your car is reduced to 56 cents a mile. See [chapter 26](#).

The 2014 rate for use of your car to get medical care is reduced to 23½ cents a mile. See [chapter 21](#).

The 2014 rate for use of your car to move is reduced to 23½ cents a mile. See Publication 521, Moving Expenses.

Mailing your return. If you live in Missouri and need to make a payment with your paper return, you will need to mail it to a different address this year. See [Where To File](#) at the end of this publication.

Form 1099-B. Form 1099-B has been redesigned so that the information on it is reported in boxes that are numbered to match the corresponding line and column on Form 8949. This will make it easier for you to complete Form 8949. See [chapter 16](#).

New myRA (“my Retirement Account”) program. For information about this new program, see [chapter 17](#).

Direct deposit. To combat fraud and identity theft, the number of refunds that can be directly deposited to a single financial account or prepaid debit card is now limited to three a year. After this limit is exceeded, paper checks will be sent instead. For more information about direct deposit, see [chapter 1](#).

Direct Pay. The best way to pay your taxes is online with IRS Direct Pay. Just click on “Pay Your Tax Bill” on IRS.gov. For more information about how to pay your taxes, see [chapter 1](#).

Reminders

Listed below are important reminders and other items that may help you file your 2014 tax return. Many of these items are explained in more detail later in this publication.

Enter your social security number (SSN). Enter your SSN in the space provided on your tax form. If you filed a joint return for 2013 and are filing a joint return for 2014 with the same spouse, enter your names and SSNs in the same order as on your 2013 return. See [chapter 1](#).

Secure your tax records from identity theft. Identity theft occurs when someone uses your personal information, such as your name, SSN, or other identifying information, without your permission, to commit fraud or other crimes. An

identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund. For more information about identity theft and how to reduce your risk from it, see [chapter 1](#).

Taxpayer identification numbers. You must provide the taxpayer identification number for each person for whom you claim certain tax benefits. This applies even if the person was born in 2014. Generally, this number is the person's social security number (SSN). See [chapter 1](#).

Foreign source income. If you are a U.S. citizen with income from sources outside the United States (foreign income), you must report all such income on your tax return unless it is exempt by U.S. law. This is true whether you live inside

or outside the United States and whether or not you receive a Form W-2 or Form 1099 from the foreign payer. This applies to earned income (such as wages and tips) as well as unearned income (such as interest, dividends, capital gains, pensions, rents, and royalties).

If you live outside the United States, you may be able to exclude part or all of your foreign source earned income. For details, see Publication 54, Tax Guide for U.S. Citizens and Resident Aliens Abroad.

Foreign financial assets. If you had foreign financial assets in 2014, you may have to file Form 8938 with your return. Check www.irs.gov/form8938 for details.

Automatic 6-month extension to file tax return. You can get an automatic 6-month extension of time to file your tax return. See [chapter 1](#).

Include your phone number on your return. To promptly resolve any questions we have in processing your tax return, we would like to be able to call you. Please enter your daytime telephone number on your tax form next to your signature and occupation. If you are filing a joint return, you can enter either your or your spouse's daytime phone number.

Payment of taxes. You can pay your taxes online, by phone, or by check or money order. You can make a direct transfer from your bank account or use a credit or debit card. See [chapter 1](#).