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We are now well into the third quarter of 2015 and we continue to wrap up the 2014 tax filing year. The corporate, partnership, and fiduciary income tax return extension deadline is September 15, 2015, while the individual return deadline date is October 15, 2015. We sincerely appreciate all of our clients' cooperation in getting us the information we need to complete the returns in a timely manner.

Now that it's September and all the school age children and college students are back to school, we have an article that will offer information on education tax credits that could prove beneficial at tax filing time.

President Obama signed a bill on July 31 which will change the tax filing due dates of certain tax

REMINDER:

Individual Estimated Income Tax payments are due September 15, 2015.

and information returns. Although changes in these due dates serve to raise \$314 million in revenue over the next 10 years, they also accomplish a long-sought after goal: to better align return deadlines with the deadlines for information returns, as well as with the workflow of return preparers during the extended filing season. This newsletter will highlight the provisions of this bill and the impact for future filing deadlines.

BACK-TO-SCHOOL EDUCATION TAX CREDITS

If you, your spouse or a dependent are heading off to college in the fall, some of your costs may save you money at tax time. You may be able to claim a tax credit on your federal tax return. Here are some key IRS tips that you should know about education tax credits:

American Opportunity Tax Credit – The AOTC is worth up to \$2,500 per year for an eligible student. You may claim this credit only for the first four years of higher education. Forty percent of the AOTC is refundable. That means if you are eligible, you can get up to \$1,000 of the credit as a refund, even if you do not owe any taxes.

Lifetime Learning Credit. The LLC is worth up to

\$2,000 on your tax return. There is no limit on the number of years that you claim the LLC for an eligible student.

One credit per student. You can claim only one type of education credit per student on your tax return each year. If more than one student qualifies for a credit in the same year, you can claim a different credit for each student. For instance, you can claim the AOTC for one student and claim the LLC for the other.

Qualified expenses. You may use qualified expenses to figure your credit. These include the

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costs you pay for tuition, fees and other related expenses for an eligible student

Eligible educational institutions. Eligible schools are those that offer education beyond high school. This includes most colleges and universities. Vocational schools or other postsecondary schools may also qualify. If you are not sure if your school is eligible, ask your school if it is an eligible educational institution, or see if your school is on the U.S. Department of Education's Accreditation database.

Form 1098-T. In most cases, you should receive Form 1098-T, Tuition Statement, from your school by February 1, 2016. This form reports your qualified expenses to the IRS and to you. The amounts shown on the form may be different than

the amounts you actually paid. That might happen because some of your related costs may not appear on the form. For instance, the cost of your textbooks may not appear on the form. However, you still may be able to include those costs when you figure your credit.

Income Limits. These credits are subject to income limitations and may be reduced or eliminated, based on your income. Your tax professional can determine if you are within the income limitations to receive the credits, or you may visit IRS.gov and use the Interactive Tax Assistant tool to see if you are eligible.

REVISIONS TO TAX RETURN DUE DATES

Effective dates. In light of the major changes being made to some tax return deadlines, the new law gives most taxpayers and return preparers over a year and a half to adjust: generally, no change in return deadlines takes place before the 2017 filing season for 2016 tax year returns. Taxpayers with short tax-years beginning after December 31, 2015, are also impacted. In connection with the changes made by the new law, the amendments to the due dates for returns of partnerships and C corporations generally apply to returns for tax years beginning after December 31, 2015. However, in the case of any C corporation with a tax year ending on June 30, the amendments apply to returns for tax years beginning after December 31, 2025. Likewise, the major changes to certain automatic filing extension and due dates do not apply until extensions and filing due dates for tax years beginning after December 31, 2015.

Return due dates. Partnership Form 1065. Specifically, the due dates for the filing of Form 1065 by partnerships and filing of Form 1120-S by S corporations are codified, but in doing so, the due date (without extension) for filing of Form 1065 is modified, applicable to returns for tax years beginning after December 31, 2015, so that both Form 1065 and Form 1120-S will be due on or before the 15th day of the third month following the close of the tax year (March 15 for

calendar-year taxpayers). The change in the due date for partnership returns to March 15 will enable partners who are individuals to receive the Schedule K-1 in time to report the information on their Form 1040 (as well as individuals who are S corporation shareholders). Without this change, many more individuals who are partners would be forced to file a six-month extension to file their Form 1040.

C Corporation Form 1120. Generally applicable to returns for tax years beginning after December 31, 2015, the due date (without extension) for the filing of Form 1120 by C corporations is changed to the 15th day of the fourth month following the close of the tax year (April 15 for calendar-year taxpayers). The current deadline is set at the 15th day of the third month following the close of the tax year (March 15 for calendar-year corporations). However, for C corporations with fiscal years ending on June 30, the changes do not begin to apply until returns due for tax years beginning after December 31, 2025. Therefore, June 30 fiscal-year corporations retain a filing deadline of September 15th until returns for tax years starting in 2026.

