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Your Guide to Federal Tax Updates for 2012 Filing by [Bob Goren](#)

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In November of 2011, the Internal Revenue Service published a number of changes in federal tax law. Health insurance deductions, home buying credits and mileage reimbursement are among the many tax areas affected.

This article provides an overview of the new changes to Form 1040, since this will affect your tax filing in 2012.

2012 Tax Due Date

The due date for filing forms and paying your taxes is April 17, 2012. The only exception to this deadline is military members and their support staff, who have their due date automatically extended by eight weeks to June 15th.

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Alternative Minimum Tax Exemption Increase

Every year, each taxpayer is responsible for paying their regular income tax or the alternative minimum tax, whichever is greater. Tax owed under the AMT is generally more than regular income tax because it excludes many deductions. This year, as part of a temporary tax relief plan for Americans, more income than usual is excluded from AMT taxation.

Your exemption amount for the alternative minimum tax (AMT) has now increased slightly for 2011. Exemptions are currently \$48,450 for people filing as single, \$74,450 for married partners filing jointly and qualified widowers, and \$37,225 for married partners filing separately. These figures in each category are \$1,000-\$2,000 higher than they were last tax season.

Capital Gains & Losses

Most taxpayers with capital gains and losses must report these on the new Form 8949 and indicate the totals on Schedule D. If you have gains or losses and you have an investment broker, then your broker should send you a 1099-B or a similar statement to help you complete the 8949.

Expired Tax Benefits

The Making Work Pay credit, which was claimed with Schedule M, has expired. It was a temporary program for 2009 and 2010.

The alternative motor vehicle credit has been mostly retired. An exception is made for certain Hondas with new fuel cells. When purchased through to December 31, 2014, these vehicles are associated with tax deductions of \$8,000 and \$12,000. More details on this are given on IRS Form 8910.

First-Time Homebuyer Credit Claim

You can claim a first-time homebuyer credit on your 2011 taxes if you or your spouse served as a member of the uniformed services, the Foreign Service and the national intelligence community. You will also be eligible if you served on another qualified official duty for at least 90 days outside of

the US, starting on or after January 1, 2009 and ending by April 30, 2010. More details on this are provided under line 67 of Form 1040.

Health Insurance Deduction for the Self-Employed

A health insurance deduction for self-employed taxpayers and their dependents can now be taken on line 29 of Form 1040. It is no longer an option on Schedule SE.

Health Savings Accounts Tax Increase

Taxes on non-medical distributions from health savings accounts and Archer medical savings accounts have increased to 20%. More details on this are provided on Form 8889 and Form 8853.

Repayment of First-Time Homebuyer Credit

If you need to repay this type of credit, you might have a streamlined paperwork option. See the instructions on line 59b of Form 1040.

Roth IRA Conversion & Rollover Reporting

In most cases, if you converted or rolled over funds to a Roth IRA or other designated Roth account in 2010 and did not report this action on your 2010 return, then you must report half of it for 2011 and half for 2012. You can find more details on lines 15 and 16 of your 1040.

Schedule L Replacement

Schedule L was once used to calculate a standard deduction. A replacement measure for Schedule L is now provided on line 40 of Form 1040.

Standard Mileage Rates

The reimbursement rates for vehicle use have increased. The rate for business use of a vehicle has now risen to 51 cents per mile for mileage accrued by June 30, 2011. The rate is 55.5 cents per mile for business mileage after June 30th. The 2011 rate for using a vehicle to move a home or residence has increased to 19 cents per mile through June 30th and 23.5 cents after that. The reimbursement rate for charitable work however remains 14 cents per mile.

Another change this year is that mileage put on vehicles for hire, such as taxis, can be included in business transport deductions.

Mailing Addresses for IRS Offices

Some IRS filing locations have changed since last year. You can find the current addresses at the IRS website: www.irs.gov/file/index.html.

Conclusion

Changes to Form 1040 for the 2011 tax year aren't major, but they do bear review. Knowing what's changed can help you estimate this year's figures and avoid making mistakes on your return. You can read more about the new developments affecting federal tax form 1040 by visiting www.irs.gov/form1040

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