Table of Contents

Surtaxes 1

The TaxSpeaker ® Surtax Guide © 2

Threshold Amount Chart 2

The .9% Medicare Surtax 3

Income Subject to the .9% Medicare Surtax 3

Who is Subject to the Surtax? 3

Calculation of the Surtax 4

Employer Withholding, Filing and Payment 6

Employee Payment of the .9% Medicare Surtax 6

Income Subject to/Exempt from the .9% Surtax Chart 7

Income Not Subject to Surtax 8

Preparer Issues 9

Planning For the .9% Medicare Surtax 10

Form 8959 12

The Net Investment Income (NII) 3.8% Surtax 13

MAGI Thresholds for Net Investment Income Surtax After Dec. 31, 2012 13

Modified Adjusted Gross Income 14

Net Investment Income 15

Real Estate Professionals 20

Regrouping 20

Trust Income 20

Penalty Relief 21

NII Taxability Chart 21

Reporting and Paying the NII Surtax 22

Net Operating Losses 23

Example Calculation of §1411 NOL for NII 23

Estates and Trusts 24

Reporting Issues 24

Form 8960 25

Preparation Issues 26

Planning to Reduce the 3.8% Surtax 28

Reducing MAGI 28

Reducing unearned income (NII) 28

K-1 Analysis for Active Owners 30