

LAST-MINUTE TAX SAVINGS STRATEGIES



1 LAST MINUTE TAX DEDUCTIONS

lower your tax bill by accelerating deductions this year, examples include:

- charity contributions
- an estimated state income tax bill due January 15
- a property tax bill due early next year
- a doctor's or hospital bill

2 DEFER YOUR INCOME

defer income by taking capital gains in 2017 instead of in 2016

3 TAX-LOSS HARVESTING

sell investments that have lost value to realize a capital loss and use those losses to offset any taxable gains you have realized during the year

4 CONTRIBUTE TO RETIREMENT ACCOUNTS

tax-deferred retirement accounts can grow to a substantial sum because they compound over time, free of taxes, until you later withdraw funds. This includes 2016 individual retirement accounts which can be established and funded until April 17, 2017

5 AVOID THE KIDDIE TAX

children's investment income above \$2,100 is taxed at the parents' rate until the child is 19; if the child is a full-time student who provides less than half of his or her support, the tax applies until the child is 24

6 BEWARE OF ALTERNATIVE MINIMUM TAX

certain deductible expenses are not deductible under the AMT; for example state and local income taxes and property taxes. Ask your CPA if you should be concerned about AMT

7 WATCH FLEXIBLE SPENDING ACCOUNTS

some employers have a grace period that allows employees to spend 2016 set-aside money as late as March 15, 2017

8 GIFT TAX EXEMPTION

you can gift up to \$14,000 a year (tax free) to as many people as you like

* THINGS TO KEEP AN EYE ON

2016 tax extenders, such as:

- the option to deduct state and local sales tax instead of state and local income tax
- taxpayers 70½ or older can make a qualified charitable distribution of up to \$100,000 directly from their IRA to a charity, without having to include the distribution in their taxable income for the year
- reminder that Q4 federal estimated tax payments and catch-up payments are due January 15



There are only a few weeks left in 2016, but it's not too late to save! Just be sure to take action before December 31st to get these tax savings.

Looking for more? [Let's talk](#); we're here to help you save.