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In-The-Know Monthly eNewsletter

**APRIL 17 2017\* IS AT LEAST FIVE MONTHS AWAY,  
BUT NOT TOO EARLY TO BEGIN YEAR END TAX PLANNING FOR 2016**

By: Bob Leins, CPA

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Consider these opportunities to lower your 2016 income tax. You will be pleasantly surprised how the tax savings will add to your personal cash flow.

Before January 1, 2017:

- ✓ Calculate what you paid in State sales tax - you can claim a tax deduction of the higher of your State sales tax or your State income tax if you "itemize" your deductions.
- ✓ If you've had a major life event this year (baby, new house, job relocation) be certain what tax deduction opportunities are associated with these events.
- ✓ Consider making cash and/or non-cash charitable contributions before January 1, 2017.
- ✓ If you've performed work for a charity in 2016, review your records and receipts for expenses that may be deductible and be certain to claim your automobile "mileage" expense related to your charity work.
- ✓ Check to see if any of your expenses will qualify for the child and dependent care tax credit. A credit results in a dollar for dollar tax savings

- ✓ Student loan interest may be deductible if income is below \$80,000 if not married and \$160,000 if married.
- ✓ Educational tax credits – A credit is a dollar for dollar tax reduction; there are two types: American Opportunity Credit and a Lifetime Learning Credit.
- ✓ There is no Federal income tax on capital gain(s) if your TAXABLE income is below \$37,650 if single or \$75,300 if married.
- ✓ Be sure you have Taxpayer Identification Numbers (SSNs) for children and other dependents you claim - otherwise, their personal exemptions claimed on your return may be denied or delayed.
- ✓ If you are filing a joint tax return, consider filing married filing separate tax returns. Be sure to use a computer aided software product to help your analysis.
- ✓ If you feel you need help preparing your return, discuss with friends and family to see what they do, they may "self prepare", use "off the shelf" tax preparation software – or engage the services of an experienced tax professional. Get recommendations and referrals and start as soon as possible before January 1, 2017.

Discover opportunities, consider strategies and make decisions that provide an economic reward for you.

\*April 17, 2017 is the 2016 tax return due date as April 15, 2017 falls on a Saturday.

*Charles R. (Bob) Leins is a frequent presenter to Federal agencies covering tax and financial planning at the beginning, mid-career, and retirement career stages. These seminars are presented to the entire spectrum of the civilian Federal workforce. As a Certified Public Accountant and founding partner of Gold, Leins & Adoff, Rockville, Maryland. Mr. Leins specializes in taxation and business planning at the individual and small-business levels. In addition to his presentations with NITP, he provides seminars to industry trade groups, professional groups, social groups, and is a member of several Boards of Directors.*