



Tax Saving Tips

- ❖ Accelerate payments in the current year. If you can pay some tax deductible expenses this year that are due next year, it may decrease your tax liability.
- ❖ Give to a charity. If you itemize your deductions, any contributions you give to a qualified charitable organization may lower your taxable income. These contributions can be in cash or personal belongings. Please keep detailed records of what and when you give, the charity name, address and the estimated value (of the amount of cash) the charity received from your donation.
- ❖ Use capital losses. If you realized taxable capital gains on investment transactions earlier this year, consider taking losses on underperforming investments to offset the gains. Capital losses are deductible against the year's capital gains and up to \$3,000 of ordinary income (\$1,500 if married filing separately). You can carry forward any capital losses you don't use for 2018 to future tax years.
- ❖ Pay your estimated state and local taxes this year. If you have estimated payments to make, pay your state payment in December so it can be deductible on this year's return. Reminder: Only \$10,000 of State Income Taxes and Real Estate Taxes (combined) are deductible.
- ❖ Avoid penalties by making sure you have withheld enough taxes. If your current year adjusted gross income is \$150,000 or under, paying 100% of the prior year tax shown on your prior year return through withholding and/or timely estimates will exempt you from underpayment penalties for the current year. For Illinois you must owe under \$500 on 4/15 to avoid late payment penalties.
- ❖ Contribute to a retirement plan (IRA or SEP, etc.). If your employer doesn't have a qualified retirement plan, you may be eligible to open an IRA. If you are 50 or over, you may be able to make a catch-up contribution as well.
- ❖ Contribute to an HSA. If you have a high deductible health insurance plan, you may be eligible to open a health savings account. Contributions are deductible up to \$3,450 for self only plans and \$6,900 for family coverage. An additional catch up contribution of \$1,000 is available for individuals 55 or older.