

# December 2019 TaxInsight



## Year-End Tax Planning

As the year ends, you may be wondering what you can do to lower your taxes on your 2019 return. If you have cash on hand, there are several things that you can do to help your tax position in the new year and beyond.

1. **Charitable giving.** If you itemize, you can make gifts to charitable causes. This can include cash gifts or in-kind gifts. Any donation you make before the end of the year can be taken as a 2019 tax deduction. If you don't have quite enough in any given year to itemize your deductions, you could consider holding off on donating until after the first of the year to double up your charitable giving for the following year.
2. **Health Savings Accounts.** If you have cash on hand, have a high-deductible health plan, and have not contributed the maximum to your Health Savings Account (HSA), consider maxing out your contribution. You'll have that money for medical expenses in the new year and can deduct the after-tax contributions to your HSA. 2019 limits are \$3,500 for individual coverage and \$7,500 for family coverage. If you or your spouse are age 55 or older, you may be able to contribute up to \$2,000 more to your HSAs. These contributions can be made up to the due date of your return.
3. **Individual Retirement Arrangements.** Another option if you have cash on hand is to max out your IRAs. The rules are somewhat complex, but generally, taxpayers can contribute \$6,000 to an IRA (either Roth or traditional, or a mixture). If you're 50 or older, you can contribute \$7,000. See me to determine exactly how much you can contribute. Like an HSA, contributions to an IRA can be made until the due date of the return.

If you have a business, there are even more ways to lower your tax burden for next year. Schedule an appointment before the end of the year to see if you can lower your taxes by taking action now.

## Important Tax Deadlines

- January 31 – W-2s and 1099s
- March 16 – Partnerships and S Corporations
- April 15 – Individuals, Trusts and Estates, and C Corporations
- September 15 – Extended deadline for Partnerships and S Corporations
- September 30 – Extended deadline for Trusts and Estates
- October 15 – Extended deadline for Individuals and C Corporations

## Tax Notes

An Individual Taxpayer Identification Number is issued to taxpayers who must have a tax identification number, but cannot obtain a Social Security number. Taxpayers who have an ITIN with middle digits of 83, 84, 85, 86, or 87, or who have not filed a federal return in the last three years, must renew their number this year. Come see me to renew yours to avoid delays in processing your return.

## Did You Know?

December 20 is U.S. Poet Laureate Day. The current Poet Laureate of the United States is Joy Harjo, who was appointed in June 2019. She is the first Native American Poet Laureate. Her books include *An American Sunrise* (2019), *Conflict Resolution for Holy Beings* (2015), and *Crazy Brave* (2012).

## Quote Corner

“No act of kindness no matter how small is ever wasted.”

~ Aesop

