

Three Tax Tips to Start the Filing Season

- Check whether your children need to file a 2015 tax return. They'll need to file if wages exceeded \$6,300, self-employment income was over \$400, or investment income exceeded \$1,050. When income includes both wages and investment income, other thresholds apply.
- Consider whether you'll contribute to a Roth or traditional IRA. Since you have until April 18 to make a 2015 contribution (April 19 if you live in Maine or Massachusetts), you can schedule an amount to set aside from each paycheck for the next few months. The maximum contribution for 2015 is the lesser of your earned income for the year or \$5,500 (\$6,500 when you're age 50 or older). Be sure to tell your bank or other trustee that these 2016 contributions are for 2015 until you reach the 2015 limit. You can then deduct these 2016 amounts on your 2015 tax return for a quicker tax benefit.
- Do you need to file a gift tax return? For 2015, you may need to file a return if you gave gifts totaling more than \$14,000 to someone other than your spouse. Some gifts, such as direct payments of medical bills or tuition, are not subject to gift tax. Gift tax returns are due at the same time as your federal income tax return.

Please call our office at (888) 388-1040 more tips on getting ready for your 2015 income taxes.

NOTE: This article is written to provide you with information about minimizing your taxes. Do not apply this general information to your specific situation without additional details. Be aware that the tax laws contain varying effective dates and numerous limitations and exceptions that cannot be summarized easily. For details and guidance in applying the tax rules to your individual circumstances, please contact us.

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