

TAX CHANGES DISCUSSION CHECKLIST

Each year around tax time, we suggest that you take a step back and ask yourself what is going to change this coming year that might mean you should consider taking steps to address taxes. This year, with the tax law changes, people could find themselves

- *owing more or less taxes*
- *a need for different tax strategies to consider and*
- *a need to make changes to withholding.*

Review these questions and mark those that might impact your taxes going forward. Then share this list with your Financial Coach or Tax advisor! It may be worth it for you to do a tax projection and find how you can save money this coming year!

If you aren't sure these apply to you, check the box, make some notes and talk with your coach. It's better to ask questions now that owe taxes next year that could have been avoided!

Member:

Date:

Marital Status:

General

	How aggressively should we pursue tax strategies? (<i>Ranges from "I'll pay \$500 to save \$200 on taxes" to "don't do anything that isn't 100% secure- no tax risk at all!"</i>)
	How important is it to manage taxes (willingness to spend time and money if there is a reasonable rate of return)?
	How important is making charitable gifts?
	How difficult is timing and preparation of filing taxes?
	How satisfied are you with your accountant/tax preparer?
	Do you get a refund or owe taxes at end of year, and how big is the difference?
	What is your comfort zone for matching taxes and withholding?
	Do you or your spouse own a business? (New rules apply to passthrough businesses that are worth exploring and entertainment rules changed!)
	Do you or spouse have flexibility with your company in structuring benefits, income delivery, etc.?
	Do you have a disabled child or relative who was disabled before age 26 that we should discuss the ABLE plan for?

Changes this year

	Do you anticipate changes in filing status? (married, single, etc.)
	Do you anticipate a change in qualification for Child Tax Credit/ Credit for other Family Members or other credits? (Credit doubled and phaseouts changed)
	When looking at last year's tax return, what will be different this year and next?
	Do you anticipate any major changes that would impact taxes in the next few years?
	Will any stock options be exercised/deferred compensation start/loans mature, etc., this year?
	Do you have any carryovers—AMT, charity, investment losses, and/or passive losses?
	Are you participating in any special state tax programs?
	Will any unemployment payments, distributions from prior employers, etc., occur this year?
	Do you have the ability to utilize children/parents/business/other tax brackets?
	Are there any unusual tax situations, investments, or potential tax issues?
	Do you have children who earn or will be earning income that could impact deduction status or cause the new higher kiddie tax at trust rates?

After Tax Investment Income

(other than qualified plans such as 401ks) (Investment management fees no longer deductible)

	Investment income can be managed with tax efficiency in mind (qualified vs. ordinary dividends, tax exempt vs. taxable, individual stocks & bonds vs. funds, foreign, passive vs. active, etc.). How willing are you to let some component of your investment strategy be dictated by taxes?
	Will there be a big change in the amount of after tax investments this year (inheritance, divorce, lottery winnings, real estate sale, etc.)?
	Are you willing to put your own time and some expense in accounting and/or management fees in order to gain tax-advantaged portfolio management?
	Are there any unusual investments or tax situations related to investments?
	Do you have any business/hobby plans that will make or lose money in the next few years?
	Is there any income from real estate, royalties, partnerships, S corp., trusts, farms, etc. or plans for new sources this year?

IRAs, Pensions & Social Security

	Are you or spouse receiving, or do you anticipate receiving Social Security this year or next?
	If so, will you or your spouse be working?
	What is your willingness to explore stopping/deferring Social Security?
	Will there be any pension or IRA distributions in the next two years?
	Are you open to Roth IRA conversions? (Recharacterizations no longer allowed so you can't do it and change your mind anymore!)
	Do you anticipate or own any annuities? (if so, types, tax status, plans, anticipated start date, etc.)

Adjustments to Gross Income

	Do you have any anticipated education expenses or student loan interest? (529 plan contributions can now be used for pre-college expenses)
	What types of education deductions or credits have you taken in the past and/or do you plan on making contributions or deductions this year?
	Do you make or plan to make contributions to self-employment retirement plans/health insurance, HSAs, Flex Plans, etc. this year different from prior years?
	Do you have any other adjustments to gross income plans?

Itemized Deductions

(It is estimated that 94% will no longer itemize under the new rules.)

	With the newer higher standard deductions, and elimination of certain itemized deductions do you anticipate that you will itemize deductions?
	Do you anticipate medical expenses (next 2 years) could exceed 7.5% threshold? If yes, by how much?
	Will the new rules of limited on mortgage of \$750,000 and NO home Equity loans impact your deduction?
	Do you have any private loans related to mortgages that may or may not be deductible?
	Are you planning on any refinancing activity or have any this year such as points paid?
	Do you make charitable contributions? (Cash vs. property vs. appreciated investments?)
	What types of charities (public/private) do you contribute to?

	Were you paying or receiving alimony which is no longer deductible in recent past that would impact your projections for this next year?
	Some things that are no longer deductible that could impact your withholding. These include: Educator deduction, moving expenses, casualty losses except for Presidentially declared disaster areas, and unreimbursed employee expenses. Will the loss of these impact you significantly?

Tax & Credits

	Do you know if you have any tax credit opportunities different this year from last? (foreign tax, child and dependent care, education, retirement savings, child tax, residential energy, adoption/special needs adoption)
	Do you generally pay self-employment tax? If so, how much?
	Do you have or anticipate any penalties or additional taxes on early distributions
	Do you or have you claimed other credits such as earned income, combat pay, American Opportunity Credit, excess Social Security and tier 1 RRTA tax withheld?
	Do you make quarterly estimates and, if so, how much are you sending in this year and how is it different from last year?