

Tax Notes

An individual can contribute up to \$3,350 to his/her HSA plan in 2016. A family can contribute up to \$6,750 in 2016.

Mid-Year Tax Planning



Each year, many taxpayers get a larger refund than expected. Some find they owe a lot more tax than they thought they would. If this happened to you, we can review your situation to prevent another tax surprise.

Did you marry? Have a child? Have a change in income? Some life events can have a major effect on your taxes. It's possible to bring the tax you pay closer to the amount you owe, especially if you let me know before tax season rolls around.

New Job. When you start a new job, you must complete a Form W-4, *Employee's Withholding Allowance Certificate*.

Your employer uses it to calculate the amount of federal income tax to withhold from your pay. If you start a new job, let me know and I can help you complete this form.

Estimated Tax. If you earn income that is not subject to withholding, you may need to make estimated tax payments. This type of income may include self-employment income, interest, dividends, gambling or rental income. If you expect to owe a thousand dollars or more in tax, and meet other conditions, you may need to pay it before the end of the year.

Life Events. When certain life events occur, check with me to see if you need to change your Form W-4 or change the amount of estimated tax you pay. A change in your marital status, your family size or your home ownership status can change the amount of taxes you owe.

Changes in Circumstances. If you are receiving advance payments of the premium tax credit, it's important that you report changes in your income or family size to your Health Insurance Marketplace. You should also notify the Marketplace when you move out of the area covered by your current Marketplace plan. Advance payments of the premium tax credit help you pay for the insurance you buy through the Health Insurance Marketplace. Reporting changes will help you get the proper type and amount of financial assistance so you can avoid getting too much or too little in advanced premium tax credits.

Did You Know?

During 2015, the IRS collected more than \$3.3 trillion in taxes, processed more than 243 million tax returns and other forms, and issued over \$403 billion in tax refunds.

Quote Corner

"Do the best you can until you know better.
Then when you know better, do better."

~ Maya Angelou