



Year-end Tax Preparations

Due to the change in the itemized deductions – here are a few tips

- If you file estimated tax payments, pay your final state installment (due in January) no later than December 31, 2017.
- Pre-Pay your 2018 real estate property tax on or before December 31, 2017.
- Consider making larger charitable contributions for 2017.

If you were going to convert a regular IRA to a Roth IRA, postpone your move until 2018 as the tax on the conversion will be subject to a lower tax rate next year. If you have already converted a regular IRA to a Roth IRA you can unwind the conversion by doing a recharacterization-making a trustee-to-trustee transfer.

If you run a business that renders services and operates on the cash basis, hold off on billings until next year or the very last day of this year, that way payment will be received in 2018.

Other Strategies –

- If you hold any ISOs, you may want to postpone exercising them until next year.
- Like-kind exchanges – after December 31, 2017 such swaps will only be possible if they involve real estate that isn't held primarily for sale, so if you are considering an exchange of other types of property, do so before December 31st.
- If you run a business and have been thinking of entertaining clients or business associates, do so before December 31st. After December 31, 2017 you will no longer receive that deduction.
- If you are in the midst of a job-related move, try to incur your deductible moving expenses before December 31st. If you are getting reimbursed by your new employer, try to have a reimbursement made to you before December 31st.
- The employee business expenses deductible as itemized deductions if they exceed 2% of adjusted gross income will be suspended after 2017 – determine whether paying additional employee business expenses, that would normally be paid in 2018, would provide you with a tax benefit for 2017.

If you have specific questions with regards to year-end preparations, please call our office at 856-234-7788.