



Last-Minute Savings For Tax Year 2016

(NAPSA)—Attention, last-minute savers: There's still time to reduce your tax burden.

Have you funded a traditional IRA, Roth IRA, or SEP this year? The deadline for contributions is April 18, 2017—this year's filing deadline. For self-employed taxpayers, contributions to a SEP may be postponed until October 16, 2017 if you file a tax return extension.

Increasing your 401(k) contribution can lower taxes. If you can't afford the maximum, \$18,000 for 2016, \$24,000 if you're age 50 or over, you should still contribute the full amount that will be matched by employer contributions.

If you're currently enrolled in an employer-sponsored retirement plan, your contribution to a traditional IRA will not be tax deductible but you will be able to take advantage of tax-deferred interest compounding. The cap for contributions to a traditional or Roth IRA in 2016 is \$5,500 for taxpayers under 50 and \$6,500 for those over 50.

If you have reason to believe you'll be in the same or a lower tax bracket next year, it may make sense to defer income by taking capital gains in 2017 instead of in 2016. If you are self-employed or freelancing and can push revenue into a lower earning year, it may be wise to do so. Your forecast for personal income this year vs. next year is an important issue to discuss with your tax professional. Charitable deductions are another great way to lower your taxes before year's end. Just make sure the charity is recognized by the IRS as tax exempt and document and photograph all items donated. "Loss harvesting" is the prac-



Smart moves now can make next April a less taxing time.

tice of selling stocks and mutual funds to realize losses that can offset taxable gains, dollar for dollar. This is another good conversation to have with your tax advisor.

Some other things to consider: Job search expenses, moving expenses and college expenses may all be deductible. Medical expenses might be deductible but the bar is high. Bear in mind, IRA contributions—both traditional and Roth—have some tricky limitations (and some workarounds, too). An enrolled agent (EA) can help you navigate.

EAs are tax professionals who have passed a stringent three-part exam on taxation, administered by the IRS, to earn their federally issued credential. They're required to complete annual IRS-approved continuing education to maintain their designation. Enrolled agents are known as "America's tax experts."

Find an enrolled agent nearby at www.EAtax.org.