

# Memo

**To:** All Clients - Merry Christmas and Happy New Year!

**From:** Gregory Barford

**Date:** 12/12/17

**Subject:** *Individual* Income Tax Planning for 2017 (See the previous page for Business Planning)

**A new tax bill has not been enacted at this point. The new tax will have minimal effect on 2017 income taxes for most taxpayers.**

As 2017 draws to a close, there still is time to make the most of strategies that can help reduce your tax bill and allow you to reap other potential financial benefits. Please contact us to discuss your tax outlook and to develop an individualized approach designed to address your unique financial concerns.

Retirement Plans

Consider maximizing your retirement contributions. You have until the last payroll of 2017 to maximize your employer-sponsored retirement plan as follows:

Employer Plan Type	Under Age 50	Age 50 and Over
Simple IRA	\$12,500	\$15,500
401K and 403B	\$18,000	\$24,000

For IRAs that are *not* employee sponsored, you have until April 15, 2018 to maximize your contributions for 2017. The maximum contribution is \$5,500 for those under age 50 and \$6,500 for those over age 50.

Deferring Income and Deferring Expense Deductions

Defer any income that you can until 2018. Accelerate paying State taxes, making charity donations, and paying other deductible expenses in 2017. However, there may be certain circumstances where the opposite strategy should be followed. Contact my office for further details.

Capital Gains

Before 12/31/17 consider selling investments that have permanent losses that are not going to rebound. This will help offset capital gains and will create capital losses that may be deducted. Any losses may be used to offset capital gains dollar for dollar; the maximum capital loss deduction is \$3,000 with any excess amount carried over to future years.

HSA Contributions

If you have a high-deductible health plan, consider a health savings account. The Table below shows the maximum allowable amounts for 2017:

Plan Type	Under Age 55	Age 55 and Over
Single Plan	\$3,400	\$4,400
Family Plan	\$6,750	\$7,650

Flexible Spending Account (FSA) Contributions

An FSA allows you to set aside pretax dollars to cover unreimbursed medical expenses. For 2017, you can contribute up to \$2,600 to an employer-sponsored FSA and carry over as much as \$500 from one year to the next.

**Please contact our office for further details: 301-865-4648 or gab@gabcpa.com**