

Time to Launch Your Tax Strategy

Consider conducting a final tax planning review now to see if you can still take actions to minimize your taxes this year. Here are some ideas to get you started.

- **Assess your income.** Begin by determining how your income this year will compare to last year. Then apply any tax implications this income change may cause. Be sure to account for the lower tax rates and the elimination of exemptions. Remember, if your income is rising, more of your income could be subject to a higher tax rate. Your higher income could also trigger a phase out that will prevent you from taking advantage of a deduction or tax credit formerly available to you.
- **Examine life changes.** Review any key events over the past year that may have potential tax implications. Here are some examples:
 - Purchasing or selling a new home
 - Refinancing or adding a new mortgage
 - Getting married or divorced
 - Incurring large medical expenses
 - Changing jobs
 - Having a baby
- **Identify what tax changes may impact you.** Tax changes for the current year are expected to be more impactful than we've seen in 30 years. Determine which of these changes will affect you. With these changes in mind, review your past income tax return to estimate what the impact may be on your upcoming tax bill. Please keep in mind that Congress has a habit of making last-minute changes, so you will want to plan accordingly.
- **Manage your retirement.** One of the best ways to reduce your taxable income is to use tax beneficial retirement programs. Now is a good time to review your retirement account funding. Are you taking full advantage of your employer's retirement plans? Are you saving money to invest in your future through various retirement savings options?
- **Look into credits.** There are a variety of tax credits available to most dentists. Spend some time reviewing the most common ones to ensure your tax plan takes advantage of them. Here are some worth reviewing:
 - Child Tax Credit
 - Earned Income Tax Credit
 - Premium Tax Credit
 - Adoption Credit

- Elderly and Disabled Credit
- Educational Credits (Lifetime Learning Credit and American Opportunity Tax Credit)
- **Avoid surprises.** Conducting a final tax planning review now allows you time to try to reduce your tax obligation. This is especially true if you are unsure of the specific changes made to the tax code. Remember some tax-saving ideas may require funding on your part. It is best to identify them now so you can save cash to take advantage of them prior to the end of the year.