



Year End Tax Tips

As we approach the end of the year here are a few year-end tax tips for savvy investors who want to pay Uncle Sam less come April.

- 1. Tax Loss Harvesting:** If you have accounts with losses, this might be a good time to trigger that loss in order to offset tax gains somewhere else.
- 2. Pay Spring Tuition:** If your child is in college you may want to consider paying for a spring semester before the end of the year. You may be eligible for an education tax credit by doing so.
- 3. Roth IRA Conversions:** If you want to convert your IRA to a Roth IRA, it must be done before the end of the calendar year. Keep in mind that converting a Roth actually creates more tax, but there are often long term advantages to doing so.
- 4. Make Your HSA Contribution:** If you have a high deductible health insurance plan, be sure to fund your HSA prior to January 1st to avoid federal income tax on that amount.
- 5. Ramp Up Medical Spending:** Many people can deduct qualified medical expenses that exceed 10% of their adjusted gross income for the year, so you might want to start adding things up to get you over the 10% mark. Things like glasses, hearing aids and medical tests all count towards reaching the deduction.
- 6. Give Some Money Away:** One great way to potentially shrink your tax bill is to donate to a qualified charity. Give from the heart and get a tax deduction in return – it's a win-win!

Of course everyone's situation is unique, and you need to check with your own tax preparer to understand the effects (if any) of these tips. Hopefully one of them will help keep a little more money in your own pocket this year!

The Sterk Financial Team has specialized programs for financial planning and investment management. Call us to learn how we help create financial clarity and confidence.