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Lynn's Top Five

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and sensible for you. You may sell securities for a capital loss to be used as an offset against gains, but you cannot repurchase that same security until after 30 days if you want to use that loss. You may, however, purchase something similar instead within that same 30 days if you are concerned about being out of a possible rising market.

4) Charitable gifting with appreciated assets instead of cash. You probably already know that you can gift appreciated assets such as stocks and mutual funds instead of cash to most qualified charities. But at year-end, with the clock ticking, we all tend to take the expedient path and just write a check. So this year, plan ahead! My suggestion is that if you are planning on giving at least \$1,000 to one or more charities, check with your advisor about gifting part of your appreciated portfolio holdings instead. Their back office will work directly with the organization's gifting department to facilitate a transfer. Qualified charities sell these assets without incurring taxable

With the busy holiday season awaiting us, I thought it would be a good idea to share a few year-end tax strategies with you while you still have time to implement them. This was a very quiet year for new tax laws, but that should not lull you into a sense of complacency. There are still calls to action, and here are my favorites for you to ponder.

1) Are you withholding the right amount? For some of you, the question would be, "Have you paid enough estimated taxes so far this year?" Last year was a big tax year for many investors due to distributions of gain from investments. Despite the volatility in the equity markets this year, many investments will be distributing similar gains as last year. At the very least, it is worth the effort to be sure you and your tax advisor have a game plan in place to pay enough tax to avoid penalties and also to determine if you will owe next year, so it is not a surprise if you do.

2) If you need deductions, think about what you can prepay. For some, maybe you will prepay state income taxes you expect to owe. For others it might be slipping in that extra mortgage payment. But watch out for the AMT (alternative minimum tax). Per Linda LaHonta, a CPA in Lafayette, "On the deduction side, the AMT is really the issue, so at least for a majority of my clients this planning tool of prepaying state and property taxes is somewhat irrelevant." The AMT is complex and too difficult to ballpark. I strongly advise having your tax advisor run the numbers to determine whether you can benefit from prepaying certain deductions or not before you do so.

3) Tax loss harvesting is still in style! Because we are anticipating another year of significant pass through gains, take a look at your portfolio and determine if harvesting tax losses could be helpful

gain and you will report the full value of the security on the date of the gift as a deduction (check with your tax advisor about possible limitations). If you are thinking of gifting these types of assets, you might benefit by doing so before they pay out any year-end distributions, thus receiving a double tax benefit.

5) Fully fund retirement accounts! If you got a late start this year on 401(k) and other payroll retirement plan deductions, changed jobs, or are self-employed, know your contribution limits and be sure you will fully max out by year end. This is the time to do so while you still have at least one or two paychecks left this year. And if you turned 50 during the year, you can fund an additional \$6,000 into your retirement plan as a "catch up" provision. Next year's contribution limits are the same as 2015, so don't forget to reset your payroll deductions in early January to reach your limits by the end of next year.

Linda shared another fun tax season fact with me: "In observance of Emancipation Day on Friday April 15, 2016, taxpayers will have until Monday April 18, 2016, to file their 2015 Individual Returns and make their first 2016 estimated tax payment." Fantastic news for taxpayers who like to procrastinate or just need a smidge extra time, but for Linda and my other CPA and tax advisor friends, my heart goes out to you! Happy Holidays everyone!

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