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2019 Year-End Tax Planning Letter

Dear Clients and Friends:

Year-end tax planning in 2019 remains as complicated as ever. Notably, we are still coping with the massive changes included in the biggest tax law in decades—the Tax Cuts and Jobs Act (TCJA) of 2017—and pinpointing the optimal strategies. This monumental tax legislation includes a myriad of provisions affecting a wide range of individual and business taxpayers.

Among other key changes for individuals, the TCJA reduced tax rates, suspended personal exemptions, increased the standard deduction and revamped the rules for itemized deductions. Generally, the provisions affecting individuals went into effect in 2018, but are scheduled to “sunset” after 2025. This provides a limited window of opportunity in some cases.

The impact on businesses was just as significant. For starters, the TCJA imposed a flat 21% tax rate on corporations, doubled the maximum Section 179 “expensing” allowance, limited business interest deductions and repealed write-offs for entertainment expenses. Unlike the changes for individuals, most of these provisions are permanent, but could be revised if Congress acts again.

Keeping all that in mind, we have prepared the following **2019 Year-End Tax Letter**. For your convenience, the letter is divided into three sections:

- Individual Tax Planning
- Business Tax Planning
- Financial Tax Planning

Be aware that the concepts discussed in this letter are intended to provide only a general overview of year-end tax planning. It is recommended that you review your personal situation with a tax professional.

INDIVIDUAL TAX PLANNING

Itemized Deductions

Among the most prominent tax changes for individuals, the TCJA essentially doubled the standard deduction while modifying the itemized deduction rules for 2018 through 2025. For 2019, the inflation-indexed standard deduction is \$12,200 for single filers, \$18,350 for heads of households, and \$24,400 for joint filers, which somewhat offsets the loss of personal and dependent exemptions. In conjunction with these changes, the new law reduces the tax benefits of certain itemized deductions, while completely eliminating other tax breaks.





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Some or all of these TCJA provisions on itemized deductions may affect the outcome.

- The deduction for state and local taxes (SALT) is limited to \$10,000 annually. This includes any combination of SALT payments for (1) property taxes and (2) income or sales taxes.
- The deduction for mortgage interest expenses is modified, but you can still write off interest on “acquisition debt” (e.g., to purchase your principal residence) within generous limits.
- The deduction for casualty and theft losses is eliminated (except for disaster-area losses).
- The deduction for miscellaneous expenses is eliminated, but certain reimbursements made by employers may be tax-free to employees.
- The threshold for deducting medical and dental expenses, which was temporarily lowered to 7.5% of adjusted gross income (AGI), reverts to 10% of AGI, beginning in 2019.

YEAR-END ACTION: With help from your JMF tax professional, figure out if you will be claiming the standard deduction or itemizing deductions in 2019. The results of this analysis will likely dictate your tax planning approach at the end of the year.

Tip: Depending on your situation, you may want to accelerate deductible expenses into the current year to offset your 2019 tax liability. However, if you do not expect to itemize deductions in 2019, you might as well postpone these expenses to 2020 or beyond.

Charitable Donations

Generally, itemizers can deduct amounts donated to qualified charitable organizations, as long as substantiation requirements are met. Note that the TCJA increased the annual deduction limit for monetary contributions from 50% of AGI to 60% for 2018 through 2025. Any excess is carried over for up to five years.

YEAR-END ACTION: Absent extenuating circumstances, try to “bunch” charitable donations in the year they will do you the most tax good. For instance, if you will be itemizing in 2019, boost your gift giving at the end of the year. Conversely, if you are claiming the standard deduction this year, you may decide to postpone contributions to 2020.

For donations of appreciated property that you have owned longer than one year, you can generally deduct an amount equal to the property’s fair market value (FMV). Otherwise, the deduction is typically limited to your initial cost. Also, other special rules may apply to gifts of property. Notably, the annual deduction for property donations generally cannot exceed 30% of AGI. If you intend to donate securities to a charity, you might choose securities that you have held longer than one year and have appreciated substantially in value. Conversely, it may be preferable to keep securities you have owned less than a year.



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Tip: If you donate to a charity by credit card late in the year—for example, if you are making an online contribution—you can write off the donation on your 2019 return, even if you do not actually pay the credit card charge until 2020.

Alternative Minimum Tax

Briefly stated, the alternative minimum tax (AMT) is a complex calculation made parallel to your regular tax calculation. It features several technical adjustments, inclusion of “tax preference items” and subtraction of an exemption amount (subject to a phase-out based on your income). After comparing AMT liability to regular tax liability, you effectively pay the higher of the two.

YEAR-END ACTION: Have your AMT status assessed. Depending on the results, you may then shift certain income items to 2020 to reduce AMT liability for 2019. For instance, you might postpone the exercise of incentive stock options (ISOs) that count as tax preference items.

Thanks to the TCJA, the AMT is now affecting fewer taxpayers. Notably, the TCJA substantially increased the AMT exemption amounts (and the thresholds for the phase-out), unlike the minor annual “patches” authorized by Congress in the recent past. The chart below illustrates the exemptions for the last five years and includes a dramatic jump for 2018-19.

Filing status	2015	2016	2017	2018	2019
Single filers	\$53,600	\$53,900	\$54,300	\$70,300	\$71,700
Joint filers	\$83,400	\$83,800	\$84,500	\$109,400	\$111,700
Married filing separately	\$41,700	\$41,900	\$42,250	\$54,700	\$55,850

Tip: The two AMT rates for single and joint filers for 2019 are 26% on AMT income up to \$194,800 (\$97,400 if married and filing separately) and 28% on AMT income above this threshold. Note that the top AMT rate is still lower than the top ordinary income tax rate of 37%.

Education Tax Breaks

The tax law provides tax benefits to parents of children in college, within certain limits. These tax breaks, including a choice involving two higher education credits, have been preserved by the TCJA.

YEAR-END ACTION: When appropriate, pay qualified expenses for next semester by the end of the year. Generally, the costs will be eligible for a credit in 2019, even though the semester does not begin until 2020. Therefore, you may be able to increase your current credit amount.

Typically, you must choose between the American Opportunity Tax Credit (AOTC) and the Lifetime Learning Credit (LLC). The maximum AOTC of \$2,500 is available for qualified expenses of each





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student, while the maximum \$2,000 LLC is claimed on a per-family basis. Thus, the AOTC is usually preferable. Both credits are phased out based on modified adjusted gross income (MAGI).

The TCJA also allows you to use Section 529 plan funds to pay for up to \$10,000 of K-12 tuition expenses tax-free. Previously, qualified expenses only covered post-secondary schools.

Tip: In the past, a tuition deduction could be claimed in lieu of a credit. Although the deduction expired after 2018, Congress might reinstate it.

Estimated Tax Payments

The IRS requires you to pay federal income tax through any combination of quarterly installments and tax withholding. Otherwise, it may impose an “estimated tax” penalty.

YEAR-END ACTION: No estimated tax penalty is assessed if you meet one of these three “safe harbor” exceptions under the tax law.

1. Your annual payments equal at least 90% of your current liability;
2. Your annual payments equal at least 100% of the prior year’s tax liability (110% if your AGI for the prior year exceeded \$150,000); or
3. You make installment payments under an “annualized income” method. This method may be available to taxpayers who receive most of their income during the holiday season.

Tip: Due to the complexity of the TCJA, the IRS lowered the 90% safe harbor rule to 80% for the 2018 tax year. There has been no word yet on any reduction for 2019.

Miscellaneous

- Bunch non-emergency medical expenses in the year in which you have the best chance of clearing the 10%-of-AGI threshold. For instance, you may schedule a physical exam or dental cleaning for 2019 or postpone those expenses to 2020 if it better suits your purposes.
- Make home improvements that qualify for mortgage interest deductions as acquisition debt. This includes loans to substantially improve your principal residence or one other home.
- Transfer income-producing property to family members in lower tax brackets. However, the “kiddie tax” generally applies to unearned income above \$2,200 received in 2019 by a dependent child under age 18 or full-time student under age 24. Under the TCJA, the kiddie tax is based on the tax rates for estates and trusts, which will often produce a higher tax than it would have previously.
- Consider the tax impact of a divorce or separation. The TCJA repealed the deduction for alimony expenses for payers, and the corresponding inclusion in income for recipients, for divorce and



separation agreements executed after 2018. Note that deductions may still be available for pre-2019 agreements that are modified after 2018.

- If you own property that was damaged in a federal disaster area in 2019, you may qualify for fast casualty loss relief by filing an amended 2018 return. The TCJA suspended the deduction for casualty losses for 2018 through 2025, but retained a current deduction for disaster-area losses.
- Postpone income until 2020 and accelerate deductions into 2019 if doing so will enable you to claim larger deductions, credits, and other tax breaks for 2019 that are phased out over varying levels of adjusted gross income. These include deductible IRA contributions, child tax credits, higher education tax credits, and deductions for student loan interest. Postponing income is also desirable for those taxpayers who anticipate being in a lower tax bracket next year due to changed financial circumstances.

BUSINESS TAX PLANNING

Depreciation-Related Deductions

Under the TCJA, a business may benefit from a combination of three depreciation-based tax breaks: (1) the Section 179 deduction, (2) “bonus” depreciation and (3) regular depreciation.

YEAR-END ACTION: Acquire property and make sure it is placed in service before the end of the year. Typically, a small business can then write off most, if not all, of the cost in 2019.

1. Section 179 deductions: This tax code section allows you to “expense” (i.e., currently deduct) the cost of qualified property placed in service during the year. The maximum annual deduction is phased out on a dollar-for-dollar basis above a specified threshold.

The maximum Section 179 allowance has been raised gradually over the last decade, but the TCJA gave it a massive boost, beginning in 2018, as shown below.

Tax year	Deduction limit	Phase-out threshold
2018	\$1 million	\$2.50 million
2019	\$1.02 million	\$2.55 million

However, note that the Section 179 deduction cannot exceed the taxable income from all your business activities this year. This could limit your deduction for 2019.

2. Bonus depreciation: The TCJA doubled the previous 50% first-year bonus depreciation deduction to 100% for property placed in service after September 27, 2017. It also expanded the definition of qualified property to include used, not just new, property.





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Note that the TCJA gradually phases out bonus depreciation after 2022. This tax break is scheduled to disappear completely after 2026.

3. Regular depreciation: Finally, if there is any remaining acquisition cost, the balance may be deducted over time under the Modified Accelerated Cost Recovery System (MACRS).

Tip: A MACRS depreciation deduction may be reduced if the cost of business assets placed in service during the last quarter of 2019 (October 1 through December 31) exceeds 40% of the cost of all assets placed in service during the year (not counting real estate).

Travel Expenses

Although the TCJA repealed the deduction for entertainment expenses beginning in 2018, you can still deduct expenses for travel and meal expenses while you are away from home on business, subject to certain limits. The primary purpose of the trip must be business-related.

YEAR-END ACTION: Schedule business trips for the end of 2019. If you meet the strict substantiation requirements, you may deduct 100% of your travel costs and 50% of meal costs for amounts paid or incurred this year.

If you travel by car, you may be able to deduct your actual expenses, including a depreciation allowance, or opt for the standard mileage deduction. The standard mileage rate for 2019 is 58 cents per business mile (plus tolls and parking fees). Annual depreciation deductions for “luxury cars” are limited, but the TCJA generally enhanced those deductions for vehicles placed in service in 2018 and thereafter.

Tip: The IRS recently issued a ruling that explains that food and beverage costs are deductible when those costs are stated separately from entertainment on invoices or receipts.

QBI Deductions

The TCJA authorized a deduction of up to 20% of the “qualified business income” (QBI) earned by a qualified taxpayer. This deduction may be claimed by owners of pass-through entities—partnerships, S corporations and limited liability companies (LLCs)—as well as sole proprietors.

YEAR-END ACTION: The QBI deduction is reduced for some taxpayers based on the amount of their income. Depending on your situation, you may accelerate or defer income at the end of the year, according to the figures.

First, however, it must be determined if you are in a “specified service trade or business” (SSTB). This includes most personal service providers. Then three key rules apply.



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1. If you are a single filer with income in 2019 below \$160,725 or a joint filer below \$321,400, you are entitled to the full 20% deduction.
2. If you are a single filer with income in 2019 above \$210,700 or a joint filer above \$421,400, your deduction is completely eliminated if you are in an SSTB. For non-SSTB taxpayers, the deduction is reduced, possibly down to zero.
3. If your income falls between the thresholds stated above, your QBI deduction is reduced, regardless of whether you are in an SSTB or not.

Tip: Other rules and limits may apply, including new guidelines for real estate activities. Consult with your JMF tax professional for more details about your situation.

Business Repairs

While expenses for business repairs are currently deductible, the cost of improvements to business property must be written off over time. The IRS recently issued regulations that clarify the distinctions between repairs and improvements.

YEAR-END ACTION: When appropriate, complete minor repairs before the end of the year. The deductions can offset taxable business income in 2019.

As a rule of thumb, a repair keeps property in efficient operating condition while an improvement prolongs the life of the property, enhances its value or adapts it for a different use. For example, fixing a broken window is a repair, but adding a new building wing is an improvement.

Tip: A safe harbor rule in the regulations allows a business to currently deduct costs of \$2,500 or less, or \$5,000 or less for a business with an “applicable financial statement” (AFS).

Business Interest

Prior to 2018, business interest was fully deductible. But now the TCJA generally limits the deduction for business interest to 30% of adjusted taxable income (ATI).

YEAR-END ACTION: Determine if you qualify for a special exception. The limit does not apply to a business with average gross receipts of \$25 million or less for the three prior years.

For these purposes, ATI is defined as your business income without regard to any income, deduction, gain or loss not properly allocable to a business; business interest income and expense; net operating losses (NOLs); the 20% QBI deduction; and, for tax years beginning before 2022, depreciation, amortization or depletion.



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Tip: If the new business interest limit applies, you can carry forward the excess indefinitely until it is exhausted.

Miscellaneous

- Stock up on routine business supplies before the end of the year. Usually, your company can deduct the costs of the supplies in 2019, even if all of them are not used until 2020.
- If you buy a heavy-duty SUV or van for business, you may claim a first-year Section 179 deduction of up to \$25,000. These heavy-duty vehicles also qualify for 100% bonus depreciation. The “luxury car” limits do not apply to certain heavy-duty vehicles.
- If you pay year-end bonuses to employees in 2019, the bonuses are generally deductible by your company and taxable to the employees in 2019. A calendar-year company operating on the accrual basis may be able to deduct bonuses paid as late as March 16, 2020 on its 2019 return.
- Gather proof needed to claim a bad business debt deduction. Generally, the deduction is available in the year the debt becomes worthless, so step up collection activities and keep records.
- Hire disadvantaged workers eligible for the Work Opportunity Tax Credit (WOTC). The WOTC, which is generally a maximum of \$2,400 per worker, is scheduled to expire after 2019.
- Get a start-up venture up and running. The tax law permits a small-business owner to claim a first-year deduction of up to \$5,000 for qualified start-up costs. Any remainder must be amortized over 180 months. However, the \$5,000 write-off is phased out for costs above \$50,000.
- A business may qualify for an up-to-25% credit for paid family and medical leaves of up to 12 weeks. This credit, which only applies to wages paid to employees earning no more than \$72,000 annually, is currently scheduled to expire after 2019.

FINANCIAL TAX PLANNING

Securities Transactions

Frequently, investors engage in securities transactions at year-end to improve their tax situation. This requires a basic understanding of the current tax rules for capital gains and losses.

First, capital gains and losses are used to offset each other. Second, if you show an excess loss for the year, it then offsets up to \$3,000 of ordinary income before being carried over to the next year. Third, long-term capital gains from sales of securities owned longer than one year are taxed at a maximum rate of 15% (20% for high-income investors). Conversely, short-term capital gains are taxed as ordinary income rates reaching up to 37% in 2019.

YEAR-END ACTION: Review your investment portfolio. Depending on your situation, you may “harvest” capital losses to offset gains realized earlier in the year or cherry-pick capital gains that will be partially or wholly absorbed by prior losses, including capital loss carryovers.



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Be aware of even more favorable tax treatment for certain long-term capital gains. Notably, a 0% rate applies to taxpayers below applicable income levels, such as young children or grandchildren. Furthermore, some taxpayers who ultimately pay ordinary income tax at higher rates, due to their investments, may qualify for the 0% tax rate on a portion of their long-term capital gains.

Tip: The tax rate structure for long-term capital gains also applies to qualified dividends. These are most dividends paid by U.S. companies or qualified foreign companies.

Installment Sales

Normally, when you sell real estate at a gain, you must pay tax on the full amount of capital gain in the year of the sale.

YEAR-END ACTION: Arrange to sell real estate on the installment basis. If you receive installment payments over two or more tax years, the tax on a gain is paid over the years in which payments are actually received. This tax deferral treatment is automatic for most installment sales other than sales by “dealers” like real estate developers.

The taxable portion of each payment is based on the “gross profit ratio.” Gross profit ratio is determined by dividing the gross profit from the real estate sale by the price.

Not only does the installment sale technique defer some of the tax due on a real estate deal, it will often reduce your overall tax liability if you are a high-income taxpayer. Reason: By spreading out the taxable gain over several years, you may pay tax on a greater portion of gain at the 15% capital gains rate as opposed to the 20% rate.

Tip: If it suits your purpose, you may “elect out” of installment sale treatment when you file your tax return. This means the entire amount of tax is due on the return for the year of the sale. You might do this if 2019 is otherwise a low tax year.

Net Investment Income Tax

In addition to capital gains tax, a special 3.8% tax applies to the lesser of your “net investment income” (NII) or the amount by which your modified adjusted gross income (MAGI) for the year exceeds \$200,000 for single filers and \$250,000 for joint filers. (Note: These amounts are not indexed for inflation.) The definition of NII includes interest, dividends, capital gains and income from passive activities, but not Social Security benefits, tax-exempt interest and distributions from qualified retirement plans and IRAs.

YEAR-END ACTION: Assess the amount of your NII and your MAGI at the end of the year. When it is possible, you may be able to reduce your NII tax liability in 2019 or avoid it entirely.





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For example, you might add municipal bonds (“munis”) to your portfolio. Interest income generated by munis does not count as NII, nor is it included in the calculation of MAGI. Similarly, if you turn a passive activity into an active business, the resulting income may be exempt from the NII tax. These rules are complex, so obtain professional assistance.

Tip: When you add the NII tax to your regular tax plus any applicable state income tax, the overall rate may approach or even exceed 50%. Factor this into your investment decisions.

Required Minimum Distributions

As a general rule, you must receive “required minimum distributions” (RMDs) from qualified retirement plans and IRAs after reaching age 70½. The amount of the distribution is based on IRS life expectancy tables and your account balance at the end of last year.

YEAR-END ACTION: Arrange to receive RMDs before December 31. Otherwise, you will have to pay a stiff tax penalty equal to 50% of the required amount (less any amount you have received) in addition to your regular tax liability.

Do not procrastinate if you have not arranged RMDs for 2019 yet. It may take some time for your financial institution to accommodate these transactions.

Conversely, if you are still working and do not own 5% or more of the business employing you, you can postpone RMDs from an employer’s qualified plan until you retire. This “still working exception” does not apply to RMDs from IRAs or plans of employers where you do not work.

Tip: RMDs are not treated as NII for purposes of the 3.8% tax. Nevertheless, an RMD may still increase your MAGI used in the NII tax calculation.

YEAR-END ACTION: If you are age 70½ or older, transfer IRA funds directly to a charity. Even though the contribution cannot be deducted as a charitable donation on your 2019 tax return, the distribution is not subject to tax and counts as an RMD. This can be especially effective for taxpayers who no longer itemize deductions under the TCJA.

Estate and Gift Taxes

Since the turn of the century, Congress has gradually increased the federal estate tax exemption, while eventually establishing a top estate tax rate of 40%. At one point, the estate tax was repealed—but only for 2010—while the unified estate and gift tax exclusion was severed and then reunified. Finally, the TCJA doubled the exemption from \$5 million to \$10 million, inflation-indexed to \$11.4 million in 2019. The following table shows the progression of the estate tax exemption and top estate tax rate during the last decade.



Tax year	Estate tax exemption	Top estate tax rate
2009	\$3.5 million	45%
2010	Not applicable	Repealed
2011	\$5 million	35%
2012	\$5.12 million	35%
2013	\$5.25 million	40%
2014	\$5.34 million	40%
2015	\$5.43 million	40%
2016	\$5.45 million	40%
2017	\$5.49 million	40%
2018	\$11.18 million	40%
2019	\$11.40 million	40%

YEAR-END ACTION: Update your estate plan to reflect existing law. For instance, wills and trusts may be revised to accommodate the rule allowing portability of the estate tax exemption.

Under the “portability” provision for a married couple, the unused portion of the estate tax exemption of the first spouse to die may be carried over to the estate of the surviving spouse. This tax break is now permanent, so incorporate it into your estate planning decisions.

Tip: With the gift tax exclusion, you can give each recipient, such as younger family members, up to \$15,000 in 2019 without paying any federal gift tax. This annual gift tax exclusion is effectively doubled to \$30,000 for joint gifts made by a married couple. These gifts reduce the size of your taxable estate.

Miscellaneous

- Contribute up to \$19,000 to a 401(k) in 2019 (\$25,000 if you are age 50 or older). If you clear the 2019 Social Security wage base of \$132,900 and promptly allocate the payroll tax savings to a 401(k), you can increase your deferral without any further reduction in your take-home pay.
- From a tax perspective, it is often beneficial to sell mutual fund shares before the fund declares dividends (the ex-dividend date) and buy shares after the date the fund declares dividends.
- Be wary of the “wash sale” rule. If you sell securities at a loss and reacquire substantially identical securities within 30 days of the sale, the tax loss is disallowed. An easy way to avoid this result is to wait at least 31 days to buy back the same or similar securities.
- Consider a Roth IRA conversion. Although the conversion is subject to current tax, you generally can receive tax-free distributions in retirement, unlike the taxable distributions from a traditional IRA.



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But note that the TCJA removed the ability to “re-characterize” a Roth conversion back into a traditional IRA for 2018 and thereafter.

State Taxes

Year-end tax projections are especially important for state taxes. Just like the IRS, states generally impose withholding and estimated tax requirements. States also charge underpayment penalties if sufficient payments are not made during the year.

State taxes are deductible in computing federal income tax, up to the new limit of \$10,000, and the timing of payments may be important. A tax planning strategy is to prepay by December 31, 2019 the state tax estimates that are due January 2020, and prepay projected balances due on April 15, 2020 to accelerate deductions into 2019.

However, this strategy is not beneficial for a year in which you are paying the alternative minimum tax since the AMT does not allow deductions for taxes, including state income taxes. If this sounds complicated, that is because it is. A tax projection by your JMF tax professional is the best way to approach this issue.

It is also important to note that the new Federal 20% deduction for "qualified business income" will not be an applicable deduction on the Alabama return.

However, Alabama law actually provides several deductions not allowed by Federal law. These include:

- Taxpayers may deduct up to \$5,000 for a single filer and \$10,000 for a joint filer for contributions to an Alabama Section 529 college savings plan.
- Even though the TCJA removed personal exemptions for Federal purposes, Alabama law still allows for deductions for personal and dependent exemptions on the Alabama return.
- Like Federal law, Alabama allows a deduction for insurance premiums paid for a qualified long-term care policy. But, for Alabama purposes, the premiums are not subject to the limitations for out-of-pocket medical expenses like they are for Federal purposes.
- Even though disallowed for Federal purposes, miscellaneous itemized deductions are still allowed for the Alabama return.
- Alabama law allows a deduction for the lesser of \$3,000 or 50% of the costs to retrofit a new or existing home to prevent damages associated with windstorm events or floods.
- The parent of a student enrolled in or assigned to attend a failing school qualifies for a refundable Alabama credit for the cost of transferring the student to a non-failing public school or private school of the parent's choice. The credit equals 80 percent of the average annual state cost of attendance for a



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public K-12 student during the applicable tax year or the actual cost of attending a non-failing public school or private school, whichever is less. Private schools must participate in the scholarship contribution credit program to be eligible to participate in the failing schools credit program. A parent is allowed a credit against income tax for each taxable year. However, parents of current private school students, including those living in an area zoned for a failing school, do not qualify for the credit.

- In addition to the regular Alabama income tax deduction for medical expenses that a qualifying employee may be entitled to with respect to the payment of health insurance premiums, qualifying employees are also allowed to deduct from Alabama gross income an additional 100% of the amounts they pay as health insurance premiums as part of an employer provided health insurance plan provided by a qualifying employer. The qualifying employer is also allowed to deduct an additional 100% of the health insurance premiums they pay for qualifying employees. For more information on these tax deductions, please consult your JMF tax professional.
- With technology advancing every day, the Alabama Department of Revenue has implemented a program to help get your refund faster. If you are expecting a state refund from Alabama, you may use their new "eID" mobile app to speed up your refund, as well as protect your identity. More information about their app can be found at <https://www.AlabamaeID.com>.

CONCLUSION

This year-end tax planning letter is based on the prevailing federal and Alabama state tax laws, rules and regulations. Please remember that this letter is intended to serve only as a general guideline. Your personal circumstances will likely require careful examination. We would be glad to schedule a meeting with you to assist with all your tax planning needs.

Very truly yours,

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