

April 2010

## Three last-minute tax tips

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It's that time of year again: tax time. Over all the years I've been helping people with their finances, the question I'm asking more than any other is:

"How can I pay less taxes?"

That IS a VERY smart question to ask! The United States tax code is incredibly complex. In fact, it is currently 16,845 pages long! This makes it impossible to be sure you took advantage of everything that's available to you. So let's quickly run through 3 items you should consider for your 2009 taxes:

(Of course, the tax code IS very complicated, so please speak to a professional before taking action!)

**Double Check Green Tax Credits**

Last year, the government created several green tax benefits. So don't forget to double-check your 2009 purchases. You may have qualified for a tax benefit without realizing it! If you installed new windows, doors, or air conditioning units last year, you may qualify for credits of up to \$1,500. There's also a credit of up to \$3,400 for some fuel-efficient motorcycles or hybrid cars.

**Could You Qualify for a College Tax Credit?**

There are all kinds of credits for students – and not just for those who are living in a dorm room year round. Just one example is the Lifetime Learning Credit of up to \$2,000 for coursework to improve job skills.

**3. Contribute to Retirement Accounts**

The deadline for a contribution to a traditional or Roth IRA is April 15th. To qualify for the IRA deduction in 2009, you must either: 1) not be eligible to participate in a com-

pany retirement plan, or 2) if you are eligible, you must not exceed an income limit. You could also qualify for a deduction if you're not eligible for a company plan but your spouse is based on income limitations.

For 2009, the maximum IRA (traditional or Roth) contribution you can make is \$5,000 (\$6,000 if you are age 50 or older by the end of the year). For self-employed persons, maximum contributions to SEPs and Keoghs can be much higher.

Although choosing to contribute to a Roth instead of a traditional IRA won't cut your 2009 tax bill—Roth contributions are not deductible—it could be the better choice because withdrawals from a Roth can be tax-free in retirement. Withdrawals from a traditional IRA are fully taxable. To contribute to a Roth IRA, you must also have an income below IRS limits.

These are just a few of the many ways you could save on your taxes. To find out if there are any more that you qualify for, make sure to talk to a professional before you file.

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