



2016 Year-End Checklist

1. Consider gifting appreciated assets (rather than cash)
 - To meet your charitable giving intentions.
 - To family members in lower tax brackets. This could reduce your income tax on the earnings of that money and any estate tax obligations. The maximum 2016 gift tax exclusion is \$14,000 per person who receives the gift.
2. For individuals age 70 ½+ with charitable intentions, make a tax-free distribution from your IRA to the charitable organization. Congress made this provision permanent (unless they undo it in the future).
3. If you are in a 401(k) or other retirement plan, consider increasing your contributions for 2016 and/or 2017.
4. If you have earned income, contribute to a traditional IRA or Roth IRA. Roth IRAs can grow tax free and be withdrawn tax free. Contributions to traditional IRAs are usually tax deductible. The deadline is tax filing day: Monday April 17, 2017.
5. Review your Flexible Spending Account (FSA). Be sure to spend your money by the plan deadline ("use it or lose it!").
6. If you are eligible for a Health Savings Accounts (HSA), maximize your 2016 contributions or consider establishing and contributing to the account before year-end.
7. Business Owners, review your company's retirement plan to determine if a change in plans could provide additional tax deductions.
8. College Savings, for parents and grandparents. The deadline for 2016 contributions is 12/31/16. Up to \$20,000 per married couple is deductible in Illinois. Money grows tax free and comes out tax free if it is used for college.
9. Tax loss selling, if you had capital gains in 2016, consider selling something that has a paper loss and replacing it with something comparable in your portfolio. This would offset the gain and up to a \$3,000 of ordinary income.