

TaxInsight



Estate Planning Checkup

Benjamin Franklin paraphrased Christopher Bullock when he wrote, "in this world, nothing can be said to be certain except death and taxes." Estate planning is the crossroads of those two things. Because of that, you may not want to think about it. But, if you set up your estate plan more than a few years ago, you should review it to make sure that it is up to date. Only lawyers can write the actual documents, but a tax professional can help you understand the tax consequences of your estate plan.

Why might you need to update your estate plan? If you are recently married, make sure you add your spouse to your estate planning documents. If you are divorced, make sure to remove your spouse from the plan. You may have named your former spouse as executor, trustee, or power of attorney. Make sure your documents reflect your current family situation.

If you have young children, make sure you have guardians named in a properly signed will, so that your wishes can be known for certain. In most circumstances, you can drop that provision for adult children. Have you made provisions for your pets? In most states, you can create a trust to ensure that your loyal friends are cared for after you're gone.

Make room for charity. If you wish to leave a legacy with a cause you feel strongly about, your will is a great place to make a provision. Discuss it with me if you aren't sure that your preferred charity qualifies for the charitable deduction.

Important Tax Dates and Information

- May 15 – Due date for tax exempt organizations
- June 15 – Second quarterly estimated tax payment due
- July 31 – Due date for employee benefit plans

Tax Notes

If you're opening a business or administering an estate, you may need to obtain an Employer Identification Number (EIN) by completing Form SS-4 or applying online at www.irs.gov.

Applying for an EIN is a free service offered by the IRS. Beware of websites that charge for this service. If you have any questions about the process, please let me know.

Underwithholding

Tax season is over, but if you had to pay an underpayment penalty, you may be able to get a refund for some of it. Because of the confusion about the *Tax Cuts and Jobs Act*, the IRS expanded the waiver for tax penalties for underpayment for this year only. In other years, you could avoid a penalty by withholding at least 90% of the tax due. This year, the IRS lowered that number to 85% and then again to 80% as the tax season wore on. I can help you file Form 843, *Claim for Refund and Request for Abatement*.

Did You Know?

In 1949, presidential proclamation designated May as Mental Health Awareness Month. Its purpose is to raise awareness and educate the public about mental illnesses and strategies for attaining mental health and wellness. It also aims to draw attention to suicide, which can be precipitated by some mental illnesses. Additionally, Mental Health Awareness Month strives to reduce the stigma that surrounds mental illnesses.

Quote Corner

"You are valuable just because you exist.

Not because of what you do or what you have done, but simply because you are."

~ Max Lucado