



There is still time to reduce your personal Tax Hit for 2010!

- Consider **prepaying tuition** if you have a college student who is in his/her first four years. You may be eligible for one of the education credits or deductions. This could be extremely beneficial.
- Consider **investing in a CT 529 fund** (go to www.aboutchet.com) to qualify for a CT state tax credit.
OR... consider 529's for good future financial aid planning.
- When you have your tax return prepared this year ask about **IRA contributions or SEP contributions** if you are self employed. These are good plans for saving strategies as well as deferring taxes.
- Consider **paying your real estate taxes in December** instead of January. This gives you the deduction in 2010.
- Consider **paying your 4th quarter state estimated tax payment in December, 2010** to receive the deduction in 2010.
- **Roll over your traditional IRA into a Roth IRA prior to 12/31/2010** and pay the taxes in 2011 and 2012. Tax rates are scheduled to remain the same for the next 2 years.

Let's discuss what retirement plan vehicle is best for you. A long list of factors needs to be considered so you can make the best decision!

- Through 2010 there are still **beneficial capital gains rates**. Look at selling securities with gains to benefit.
- **Harvest losses** from securities sales.
- **Energy efficiency credits**....remain intact through 2010.
- If you **charge a donation by credit card** before Jan. 01, 2011, you can deduct the gift in 2010 even if you don't actually pay the credit card charge until 2011.
- **Helpful Tip:** Look up values of donated goods at it'sdeductible.com

2011 Tips

- Permissible **earnings for social security recipients** between age 62 and full retirement age is \$14,160.00
- **Retirement plan contribution** amounts remain the same as in 2010
- **New obligation:** if you have more than \$50,000 in foreign held assets there are new filing requirements. The IRS means business!

There are always exceptions and special rules that may impact the above suggestions. Feel free to contact our office if you would like to discuss these or any other items prior to the end of the year.