

July 2018 TaxInsight



Mid-Year Tax Checkup

It's hard to believe that we are halfway through the year already. July is a good time to make sure that you are making the best choices for your tax health. Here are some tips to help make tax time 2019 less stressful.

- **Check your withholding.** The best thing that you can do to decrease the uncertainty about your taxes is to withhold the proper amount. July is a good time to do this, because you have enough of the year under your belt to have a good idea about your income and withholding, but enough time to do something about it if you need a change. Take your pay stub from as close to June 30 as possible and write down your year-to-date wages and year-to-date withholding. Double both, and subtract your standard deduction from your wages. Check to make sure that you're withholding the correct percentage of your wages based on the table to the right.
- **Check your HSA deferral.** Are you deferring as much as you can? The contribution limit for self-only plans is \$3,450; the limit for family plans is \$6,900. If you aren't contributing the maximum, but can afford to defer more from your paycheck, increase your HSA contributions to the maximum. It's a good hedge against a serious illness, even if you don't use it this year.
- **Check your retirement deferrals.** Much like the HSA, you may not be deferring as much as you could for your retirement. Increase your retirement deferral as

much as you can without putting yourself in a bind financially during the year. There are some limits on how much you can contribute, based on several factors. To make sure you make the best decisions for you and your family, come talk to me about those limits.

- **Consider an IRA.** If you aren't participating in a retirement plan at work, consider contributing to an IRA. Come talk to me about the various options for contributing to an IRA.

With meticulous planning, you can know how much your balance due or refund is well before your taxes are due. This can help lessen the stress around tax time.

2018 Tax Brackets

Marginal Tax Rate	Single	MFJ/QW	HOH	MFS
10%	\$9,525	\$19,050	\$13,600	\$9,525
12%	\$38,700	\$77,400	\$51,800	\$38,700
22%	\$82,500	\$165,000	\$82,500	\$82,500
24%	\$157,500	\$315,000	\$157,500	\$157,500
32%	\$200,000	\$400,000	\$200,000	\$200,000
35%	\$500,000	\$600,000	\$500,000	\$300,000
37%	Above	Above	Above	Above

Did You Know?

The second and third presidents of the United States, John Adams and Thomas Jefferson, died on the same day, July 4, 1826, fifty years after the Declaration of Independence. The fifth president, James Monroe, died six years later on July 4, 1831. And Calvin Coolidge, the thirtieth president, was born on July 4, 1872.

Quote Corner

"Perseverance is failing 19 times, and succeeding the 20th."

~ Julie Andrews