

Tax Filing Tips

a Seniors



By Jenny Cline

Here we are at tax time again! Since the tax law changes yearly

and many people experience changes during the year, now is a good time to review your situation so you'll be well prepared when you file your taxes for 2014.

- If you've **itemized deductions** in the past, but now your mortgage is paid down or even paid off, you may be better off taking the standard deduction instead of itemizing this year. If you and/or your spouse are 65 or older, the standard deduction is higher for you and may be better if your itemized deductions have significantly decreased.
- You may qualify for the **Credit for Elderly or Disabled**, which is based on your age, income, and filing status, so make sure to determine if you qualify.
- **Did you get married, divorced, or move in 2014?** All of these events will likely impact your tax situation, so make sure your tax professional is aware of any changes you experienced.

- **Be aware of Tax Scams!** Unfortunately, there has been an increase in con artists calling and pretending to work for the IRS to collect money. **Know that the IRS will never:**

1. Call to demand immediate payment, nor will the agency call about taxes owed without first having mailed you a bill;
2. Demand that you pay taxes without giving you the opportunity to question or appeal the amount they say you owe;
3. Require you to use a specific payment method for your taxes, such as a prepaid debit card;
4. Ask for credit or debit card numbers over the phone; or
5. Threaten to bring in local police or other law-enforcement groups to have you arrested for not paying.

- **If you do itemize in 2014**, remember that some of your medical and dental expenses may be deductible, as well as any charitable contributions you made to qualified organizations. Keep your receipts!

- **Did you take any distributions from your retirement plan in 2014?** Depending on your age and other factors, this may be taxable income to you.

- **Were you impacted by the Affordable Care Act?** Since this is the first year that many Americans will have to deal with this, it is a good idea to familiarize yourself with the facts surrounding this new situation. Visit www.hhs.gov/healthcare/facts/factsheets/2015/01/health-coverage-federal-income-taxes.html for more information.

- **Did you know you may qualify to get tax return preparation for free?** Visit www.IRS.gov or www.irs.gov/Individuals/Free-Tax-Return-Preparation-for-You-by-Volunteers for more information.

Many people dread the thought of filing their tax returns, especially if they've experienced any changes throughout the year that could have an effect on their tax situation. If you're unsure of how to best proceed this year, there are numerous resources for seniors in need of advice. Don't wait until the last minute, the sooner you file your tax return, the better you'll feel!

Jenny Cline is the owner of Logic Tax & Accounting, LLC, offering personal and business tax bookkeeping, as well as daily money management for seniors. For more information, visit www.logictaxnc.com.

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