



## Helpful Information for Filing 2018 Income Taxes and Proactive Tax Planning for 2019

**Special Report!**

Tax planning should always be a key focus when reviewing your personal financial situation. One of our goals as financial professionals is to point out as many tax savings opportunities and strategies as possible for our clients.



This special report reviews some of the broader tax law changes along with a wide range of tax reduction strategies. As you read this report, please take note of each tax strategy that you think could be beneficial to you. Not all ideas are appropriate for all taxpayers. We always recommend that you address any tax strategy with your tax professional to consider how one tax strategy may affect another and calculate the income tax consequences (both state and federal). Remember, tax strategies and ideas that have worked in the recent past might not even be available under today's new tax laws. Always attempt to understand all the details before making any decisions—it is always easier to avoid a problem than it is to solve one.

**Please note**—your state income tax laws could be different from the federal income tax laws. Visit [www.tax.findlaw.com](http://www.tax.findlaw.com) for a wide range of tax information and links to tax forms for all 50 states. All examples mentioned in this report are hypothetical and meant for illustrative purposes only.

The beginning of tax season 2019 was initially in question due to the government shutdown. On January 7, the Internal Revenue Service (IRS) assured taxpayers they would indeed begin processing tax returns on January 28, 2019. The deadline to file 2018 tax returns is Monday, April 15 for most taxpayers (those who live in Maine or Massachusetts have until April 17 to file due to Patriots' Day holiday on April 15 and Emancipation Day on April 16 for the District of Columbia).

IRS Commissioner Chuck Rettig said that, despite the government shutdown, "IRS employees have been hard at work over the past year to implement the biggest tax law changes the nation has seen in more than 30 years." The IRS recalled furloughed employees to assist in the work required to process returns. (Source: [www.irs.gov](http://www.irs.gov))

Even after the federal shutdown, one thing you can count on is tax season. This year's tax season brings major adjustments for the IRS, taxpayers and tax preparers alike due to the tax law changes and new 2018 Form 1040 required to adhere to the rules created by the Tax Cut and Jobs Act (TCJA).

### 2018 Tax Law Updates

For 2018, the form 1040 has been completely redesigned. Form 1040, which many taxpayers can file by itself, is supplemented with new Schedules 1 through 6. These additional schedules will be used as needed to complete more complex tax returns. Forms 1040A and 1040EZ are no longer available. We have time to look into tax planning ideas for your 2019 taxes, but here are some things that 2018 tax filers should review. They include:

- Tax brackets have been adjusted.
- The standard deduction has increased.
- The Child Tax Credit has increased.
- Some deductions and exemptions are gone.
- There are changes to state and local tax (SALT) deductions.
- There are new deduction rates for medical expenses.
- Capital gains will still impact your income.
- There is still a 3.8% Medicare Investment Tax.
- Charitable donations are still deductible.
- You might still be able to contribute to retirement plans (or take an RMD) if appropriate.

**Has your advisor discussed how tax planning affects your investments?**

If not, or if you would like a second opinion, please call us at  
TriOak Financial Group, 409-832-7308 or email us at  
[trioakfinancial@sagepointadvisor.com](mailto:trioakfinancial@sagepointadvisor.com) and we would be happy to  
offer you a complimentary consultation!

