



Numeric Strategies, LLC

Tax, Accounting & Financial Solutions

Certified Public Accountants

Jackie Spegele, CPA

Nolan Gookin, CPA

Re: 2014 Planning: Maximizing Itemized Deductions

Dear Clients:

Successful tax planning includes a review of your available deductions and the impact of your filing status on your option to itemize. It is important that all of the technical requirements for your deductions are met. In addition, certain items are deductible only to the extent they exceed a percentage threshold. By reducing your adjusted gross income, you increase the amount of itemized deductions you can claim, because the floor limitation amounts are reduced accordingly.

A strategy commonly used in year-end individual tax planning is to determine the best timing for claiming itemized deductions. Generally, it is beneficial for taxpayers to defer income and accelerate expenses. This strategy may enable you to itemize your deductions if you claimed the standard deduction in the past.

Due to permanent changes and modifications made by the 2012 Taxpayer Relief Act, you can optimize current tax benefits while planning for the future with some certainty. However, the following tax incentives expired at the end of 2013. Unless extended retroactively by Congress, they will not be available for 2014:

- Above-the-line deduction for educator expenses
- Above-the-line deduction for qualified tuition and related expenses
- Election to deduct state and local general sales taxes in lieu of state and local income taxes
- Mortgage insurance premium deduction
- Tax-free IRA distributions to charity

Tax planning for higher-income taxpayers is more complicated because otherwise allowable itemized deductions are reduced if adjusted gross income exceeds a specified threshold amount. Personal exemption deductions are phased out in the same manner. In addition, the failure to take the alternative minimum tax (AMT) into account may negate many itemized deductions.

www.Numeric-Strategies.com

255 N. Jefferson St. Ste. #100, Monument, Colorado 80132

Phone (719) 481-2623 / Fax (719) 481-1849

You may benefit from planning strategies designed to take advantage of the current tax laws. Maximizing your itemized deductions is an important aspect, but there are other issues that you may need to consider in light of your overall tax scenario. We hope to provide you with planning options that enable you to achieve the greatest tax savings possible. Please contact our office at your earliest convenience to make an appointment.

Sincerely yours,

Jackie Spegele