

5 Questions to Ask Your CPA About the New Tax Law

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Like many of us, you may have some questions about how your personal situation could be affected by the changes in the new tax law. While there are still many unknowns, you can start planning ahead for 2018 by asking the following questions the next time you meet with your CPA or tax professional.

Five questions that you may want to ask include:

1. **How will my taxes change in 2018?** The 2017 Tax Cuts and Jobs Act includes a number of changes for 2018 and every individual will be impacted in some way.
2. **Will I need to adjust my withholdings?** The IRS is currently updating payroll tax withholding tables and issuing guidance to employers on the 2018 suggested withholdings. An individual's withholdings should be reviewed against their overall tax situation to ensure the proper amount is withheld. Many professional advisors have tools to project the potential impacts of these changes to help ensure your 2018 withholdings will meet safe harbor limits. The IRS has just updated its withholding calculator in order to assist taxpayers to determine the appropriate withholding allowances for the 2018 tax year.
3. **How have itemized deductions changed and what deductions still apply to my financial situation?** The increase in the standard deduction and how it affects itemized deductions may be the biggest area of change in the tax act. Starting in 2018, many deductions are limited or eliminated in exchange for a higher standard deduction. Some deductions (unreimbursed business expenses, financial advisor fees, and moving expenses) are being eliminated; others are capped.
4. **How will the new law affect the way I manage my retirement assets?** Every situation is different. The best thing you can do is to ask questions when something isn't clear. Have an open dialogue with your financial advisor, tax professional and legal counsel about retirement assets.
5. **How will the new law affect the way I manage my charitable gifts?** With the tax changes, there has been renewed discussion around the most tax efficient ways to achieve your charitable giving goals. A qualified charitable distribution (QCD) directly from an IRA will likely become more popular with the higher itemized deduction limits. The IRA direct contribution is a great charitable tool, allowing donors to contribute a tax deferred retirement asset without realizing any income. This is a real win-win and should be discussed with your financial advisor, as well as the charitable organization, to ensure that the gift is completed correctly so the transfer is not inadvertently disqualified. Of course, gifts of appreciated securities also offer substantial tax savings.

The best way to prepare for these changes is to speak with a qualified Enrolled Agent, CPA or Tax Attorney most familiar with your situation. He or she can advise you on what changes will impact you most and help you accomplish your financial and tax planning goals.

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