

It's tax season again

Written by Sean Green
Monday, 11 February 2013 10:56 -

Local agencies are available to help while taxpayers need to beware of filing changes for the new year

It's that time of year again, when Uncle Sam either has a treat for you or has hands out. It's tax season and things have changed, which may affect how you fill out your return.

Still, local agencies are on hand to help ease the pain of filing federal and state tax returns.

For example, United Way of Northwest Louisiana is offering free e-file for individuals or families with a combined income of less than \$57,000.

"We know it will be a big help to all who take advantage of it. Getting your taxes done can be a costly endeavor, especially if money is tight in your household in the first place. We want to alleviate some of that undue stress and make sure that folks get their maximum refund," said Erin Pyles, director of marketing and public relations for the United Way of Northwest Louisiana.

There are two ways to take advantage of this: visit www.unitedwaynwla.org/freetaxes and the website will walk users through the process, step-by-step. If filers have questions, they are encouraged to call 1-855-My-TX-Help (1-855-698-9435), Monday-Friday, 9 a.m. – 7 p.m.

The second way is through an in-person filing center. There is a link on the site to direct them to the nearest free filing location.

United Way of America partnered with MyFreeTaxes to offer this service through United Ways across the nation. The northwest Louisiana chapter was eager to take advantage of this partnership and offer it to all the residents here in this area.

"We want to make sure that everyone gets the tax return they deserve," said Bruce Willson,

It's tax season again

Written by Sean Green
Monday, 11 February 2013 10:56 -

President and CEO of United Way of Northwest Louisiana. "This service allows us to do just that. Plus, the monies people receive from their returns often get pumped right back into the community through various purchases, which helps bolster our economy."

And national chains, like H&R Block, are also offering free tax preparation through the middle of the month to help those of us with a lot of work to do.

But before rushing off to do your taxes, there are a few things to be aware of that have changed since last year.

According to FOXBusiness, these are the new tax changes for 2013:

- If you are a high-income household making more than \$400,000 (single) or \$450,000 (married filing joint), your tax bracket will be up to 39.6 percent, an increase of almost five percent. However, this will not affect your 2012 income tax return. Those in the new high tax bracket will also be subject to a capital gains rate of 20 percent, up from 15 percent as well as the 3.8 percent surcharge from the Affordable Care Act.

The new tax rates will adversely effect everyone whose businesses are set up so their earnings flow through to their individual income tax returns. This means these business owners will probably have to pay higher rates of interest to borrow money.

And some business owners may become frustrated and look to shelter more money from taxes. For example, the first tax shelter linking itself to the new law was an offer to invest in a film with a 100 percent tax write-off on the investment and a producer credit.

- In the fiscal cliff legislation, the Pease itemized deduction phase-out is reinstated and the personal exemption phase-out will be reinstated. The thresholds are \$300,000 for married filing joint, \$275,000 for head of household, and \$250,000 for single — meaning you will not be allowed to take all of your itemized deductions. n Your personal exemptions – another subtraction from your income before taxes are calculated – will be reduced.

- Those tax deductions left unchanged and extended through 2013:

It's tax season again

Written by Sean Green

Monday, 11 February 2013 10:56 -

1. Discharge of qualified principal residence exclusion. Filers going through a foreclosure or short sale who may have had loan forgiveness should look into this as it will exclude most, if not all, of the forgiven amount from taxable income
2. Educators may continue to deduct \$250 in related job expenses as an adjustment to income
3. Mortgage insurance premiums may be deducted as mortgage interest
4. The deduction for state and local sales taxes may still be taken
5. The \$1,000 Child Tax Credit, the enhanced Earned Income Tax Credit, and the enhanced American Opportunity Tax Credit will all be extended through 2017;
6. Tuition costs may be deducted as an adjustment to income
7. IRA-to-charity exclusion from taxable income remains including a special provision that allows transfers made in January 2013 to be treated as made in 2012.

- The standard mileage rates for the use of a car (also vans, pickups or panel trucks) will be 56.5 cents per mile for business miles driven, 24 cents per mile driven for medical or moving purposes, and 14 cents per mile driven in service of charitable organizations.

For all forms, filing methods, and general questions, visit www.irs.gov or call 1-800-829-1040 Monday through Friday from 7 a.m. to 7 p.m.