

THE SIMPLE TRUTH ABOUT TAXES: THE MORE YOU PLAN, THE LESS YOU PAY

Perks and New Laws May Help Lower Your 2009 Tax Bill

April 15, 2009 may seem far off on the horizon, but in actuality, it's closer than you think. The mid-way point of 2008 has already passed. It's summertime—time for vacations, family barbeques, fireworks and tax planning. Yes, tax planning! Right now is the best time to plan for a better tax return in 2009.

Saving money and lowering your tax bill are very important, especially in our current economic environment. There are current perks and some significant tax law changes which took effect on January 1, 2008 which you may find useful as you and your tax advisor map out your tax planning strategies. Here are a few things you can do to help you to keep more money in your pocket when April rolls around again:

- **Go Green:** With the price of gas at an all-time high, buying a new hybrid vehicle can have many advantages, from saving money on fuel, to saving money on taxes. The credit for these cars applies to hybrids purchased on or after January 1, 2008. Each make and model has a different tax credit amount. Almost 40 individual states are even offering tax breaks up to \$5,000 for hybrids. Certain states, including Florida, are allowing owners of hybrid cars to drive in high occupancy vehicle (HOV) lanes, no matter how many passengers they are carrying.
- **Homeowners' Perks:** If you pay for mortgage insurance (PMI), you may be able to deduct any premiums you're paying this year (as long as you didn't hold the policy before January 2007).



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- **Also**—for sales after 2007, the maximum exclusion on the sale of a main home by an unmarried surviving spouse is \$500,000 if the sale occurs no later than 2 years after the date of the other spouse's death.

- **Reduction of the Capital Gains Rate:**

In 2008, the 5 percent maximum tax rate on qualified dividends and capital gain is reduced to 0 percent.

- **Maximize Your 401(k)s, or IRAs/SEPs:** Now is the time to think about contributing to either a traditional or Roth IRA. You can contribute up to \$5,000 to your IRA. If you are 50 years or older, you are allowed to contribute an additional \$1,000.



About Gilman Ciocia, Inc.

Gilman Ciocia is a leading provider of federal, state and local tax preparation services to individuals in South Florida, New York and New Jersey.

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"He who fails to plan, plans to fail".... We look forward to working with you to help you save on your income taxes. To make a tax planning appointment with a Gilman Ciocia Tax Professional, please call 1-800-TAX-TEAM or visit www.gtax.com.

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