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DON'T OVERPAY YOUR TAXES

Commonly overlooked credits and deductions

FAMILY FEATURES

With tax season in full swing, take time to consider how to get the most out of your tax return, which includes finding all the credits and deductions available to you. While many taxpayers claim common deductions, such as home mortgage interest and self-employment expenses, there are additional tax deductions that can lessen your final tax bill or increase your refund. These often-overlooked tax breaks could potentially save you hundreds – maybe even thousands – of dollars if you itemize deductions.

To start, get to know the difference between tax credits and tax deductions. Tax credits reduce the amount you owe in taxes. In some circumstances, tax credits allow a refundable credit, meaning you may not only reduce the amount you owe to $0, but you can also get money back. Deductions, on the other hand, simply reduce your taxable income. Both can have a potentially significant impact on your taxes and are often worth the extra effort to include on your return.

Some commonly overlooked credits include:

1. **Child and Dependent Care Credit**
   You can claim a credit of up to $2,100 for day care for your dependents so you and your spouse can work. Qualifying dependents include children under 13 and parents who are no longer able to care for themselves.
2. **Earned Income Tax Credit**
   The Earned Income Tax Credit (EITC) is a federal tax credit based on your income and the number of qualifying children living with you. Nearly 1 in 5 people who qualify fail to claim the credit, worth up to $6,318. Just because you didn't qualify last year doesn't mean you won't this year; one-third of the EITC-eligible population changes each year based on marital, parental and financial status.
3. **Saver's Credit or the Retirement Savings Contributions Credit**
   Make sure you "pay yourself first." Even if it is only $20 each pay cycle, make sure you are putting some money into a retirement fund. If your company offers a retirement savings plan, like a 401(k), it is usually in your best interest to participate. If your income is lower than $60,000, you can receive a credit of up to $1,000 for a contribution of up to $2,000 into an IRA or an employer-provided retirement account, such as a 401(k).
   The credit is in addition to any deduction or exclusion from income for the contribution.

Some tax deductions that allow you to reduce your taxable income include:

1. **Moving Expenses**
   If you moved for a job that is at least 50 miles away from your home and held this job for at least 39 weeks, you can claim your moving expenses even if you don't itemize deductions.
2. **Tax-Preparation Fees**
   Plan for tax time. Tax laws change and so do life circumstances. Using a professional to help you file your return may be a wise investment. For example, the tax pros at Jackson Hewitt can help you get every deduction and credit you deserve and the biggest refund possible. Plus, the cost of preparing your taxes can be claimed if you itemize your deductions. In fact, one missed credit or deduction could more than cover the cost of having your taxes prepared by a tax professional.
3. **New Moms**
   Breast pumps and lactation supplies are considered medical equipment, which means they qualify for a possible deduction.
4. **Career Corner**
   Job hunting often means investing both time and money. However, you may be able to deduct some of the job-search expenses you incur. Costs such as preparing resumes, creating and maintaining websites, business cards, agency fees and travel expenses may be eligible.
5. **Wedding Bells**
   If you were married in a church or at a historical site during the past year, you may be able to deduct fees paid to the venue as a charitable donation.
6. **Medical Fitness**
   While general toning and fitness workouts to improve general health are considered personal expenses, you may be able to deduct your gym membership as a medical expense. If a doctor diagnoses you with a specific medical condition, such as obesity or hypertension, or a specific physical or mental illness, and prescribes workouts or participation in a weight-loss program to treat your illness, the membership dues may be tax-deductible.

7. **Road Warriors**
   If you travel for business and aren't reimbursed by your employer, those costs can qualify as a deduction.

Every possible tax credit and deduction can help when money is tight. You might qualify for at least one overlooked credit or deduction – and maybe more than one. Consult a tax professional to discuss how you can maximize your refund and learn more at JacksonHewitt.com.

Refund Advance

If you're getting a refund, you typically want it as soon as possible, but that isn't always an option, especially if you are one of the millions of Americans who claim either the Earned Income Tax Credit or Additional Child Tax Credit. You could access up to $3,200 with a no-fee Refund Advance loan at zero percent annual percentage rate (APR), offered by MetaBank, at participating Jackson Hewitt locations. Terms apply, visit JacksonHewitt.com for details.

Did You Know?

1. The IRS, as well as many states, allows taxpayers to catch up on missed credits or deductions, offering a three-year window for filing an amended tax return. You can secure unclaimed credits and deductions by filing amended tax returns to avoid losing any unclaimed funds from as far back as 2014.

2. With locations across the United States, including kiosks in 3,000 Walmart stores, the tax professionals at Jackson Hewitt make it easy to stop in when it's most convenient for you.

3. If you are a single parent, you can file as Head of Household instead of Single. This filing status can provide better deduction options and a lower tax rate schedule.