**6 Ways You Can Benefit from the New Tax Law**

**That Your Accountant Hasn’t Told You About**

Maybe you haven’t thought about the changes to the tax code in a while. Although they were enacted more than a year ago, they are just now coming up for our 2018 tax return. Tax rates have been reduced for most tax brackets, but not all. Here are some strategies for making the most out of the changes that your accountant probably hasn’t let you in on.

1. Take advantage of all government credits, including:
   1. Child tax credit, which has been increased to $2000 per qualifying child (under 17 with a social security number)
   2. Family tax credit of $500 per person for dependents that don’t qualify for the child tax credit, such as older children, parents, and other dependents
   3. College tuition credit
   4. Earned Income Credit for those below set income limits (up to $6413 for families with 2 children)
2. Switch from a W2 to a 1099, if your job qualifies. As a self-employed individual you can write off all your business expenses and this year, Sec 199a also lets you to reduce your income by 20% before taxes. The 20% reduction also applies to S corporations, partnerships, and LLCs. The rules are complex, so you should consult with a tax professional.
3. Have your employer reimburse you for business expenses. Business expenses such as your cell phone, your auto, local transportation to see clients, uniforms and uniform cleaning, or business entertainment are no longer deductible on your tax return. If you have a job in which you get a W2 at the end of the year, but your company doesn’t pay for your expenses, have your employer set up a reimbursement plan. Then you will be able to submit all expenses to your employer for reimbursement.
4. Start a home-based business. Having a business that you operate out of your home allows you to deduct expenses for the use of your home from your business income. This deduction is not included in the $10,000 limit on deductions for real estate and state and local taxes.
5. Make gifts to your children or other loved ones. Under the Tax Cuts and Jobs Act the annual exclusion amount is now $15,000 per individual. This means that you can gift up to that amount without dipping into your total estate tax exemption of $11.18 million (or $22.36 million for married couples).
6. Look to your investments. Income tax rates in the US are at a historical low and are likely to increase in the next 3 or 4 years because of the huge deficits being created. Take a distribution from your retirement plan and book gains on your stock portfolios. You can also convert traditional IRAs to Roth IRAs. Work with a tax professional to help you manage your tax brackets.

**If your accountant hasn’t helped you benefit from the new tax law as much as you’d like, contact us at Popular Tax: 212-677-8783.**