

8 Little-Known Tax Facts That Will Obliterate Your IRS Fears

Tax time is only a month away. For many it is a fearful experience, especially if there is an unexpected tax bite.

We believe you should “Render unto Caesar” that which is his (Matt. 22:21), but no more. Nor should we be destroyed from lack of knowledge (Hos. 4:6) when it comes to taxes. With a little knowledge and a little faith, fear will evaporate.

Here are some fearless facts for you to consider:

1. File your returns on time, even if you owe money. The IRS will let you pay your taxes over as much as six years, and you will save the 25 percent late filing penalty. Attach Form 9465, Installment Agreement Request, if you need a payout.
2. Remember that you can extend the due date of your return until Oct. 15 if you need more time to file. Be sure to file the extension request Form 4868 before this year’s due date of April 18.
3. Do not be afraid to take deductions you are entitled to. For example, people with large medical costs, who own their homes and/or who make significant charitable gifts can often save taxes by itemizing their deductions.
4. Similarly, if you are self-employed, do not overlook your business mileage. You can write off 54 cents per mile. This will reduce both the income tax and the 15.3 percent self-employment tax.
5. You can make IRA payments in 2017 up to the due date of your 2016 tax return and reduce your 2016 taxes. IRA limits are now \$5,500 per year.

6. Those who received a subsidy for their health insurance will be required to recalculate the subsidy based on actual 2016 income. You will receive Forms 1095-A from insurance carriers and you must file Form 8962, Premium Tax Credit. You may owe extra tax, or you may get a refund, but whatever the outcome, it will be better than what the IRS will do to you if you do not file.

7. Remember that forgiveness of debt is not taxable if your net worth excluding your home is less than zero after the debt forgiveness. File Form 982.

8. You can always hire a tax professional if you do not know what to do about your taxes. Wise people take advice (Prov. 13:10).

This year, let faith rule over fear and gain the knowledge you need to master the tax demon in your life. {eoa}

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