

TAX ALERT! Must act ON (or before) Friday, 12/29/17!

If this applies to you, save hundreds, possibly thousands of dollars!

Dear Friends,

The recent tax bill that passed Congress may have created a time-sensitive opportunity for you to save a few hundred to over a thousand dollars. **If you are one of those affected, you would need to act on or before December 29, 2017. It will be too late on January 1, 2018.**

What has caused this opportunity is the 2018 tax law change that significantly increases your current standard deduction to \$12,000 if Single or Head of Household, or to \$24,000 if Married Filing Jointly. If you use the standard deduction in 2018 you will receive no tax benefit for the payment of real estate taxes paid in that year.

If you expect to itemize (file Schedule A) on your 2017 tax return, and the change in the standard deduction will cause you not to itemize in 2018, this alert is for you.

You may want to pay your Town & County real estate tax bill on or before December 29, 2017, the last business day of the year. If you make your payment in 2017, you will be able to deduct this payment on your 2017 tax return.

Here are some hypothetical examples of the tax effect on various scenarios:

If your town and county tax bill is ►	1,500	3,000	4,500	6,000
If you pay this tax on 12/29/17, and you are in a 15% tax bracket, On your 2017 1040 you would save ►	\$225	\$450	\$675	\$900
If you pay this tax on 12/29/17, and you are in a 25% tax bracket, On your 2017 1040 you would save ►	\$375	\$750	\$1,125	\$1,500
If you pay this tax on or after 1/1/18, In any tax bracket, On your 2017 1040 you would save ►	-0-	-0-	-0-	-0-

Remember that the above examples assume that you will be itemizing on your 2017 federal tax return and not itemizing on your 2018 tax return.

Here's where it gets more technical.

In Monroe County, and in other counties *we believe*, the tax roll information will be provided to the towns on or before December 29th (the last business day in 2017). Depending on which town you live in, you would need to either:

- **Pay In person on 12/29** (or earlier, if allowed) at your town's tax collection point. The town of Greece, for instance, will be ready and able to accept your payment (for Town & County taxes) in person at the town offices on Friday, 12/29, from 9-5. Or,
- **Pay by mail**, making sure your mailing has a 2017 postmark. Most towns will be posting the tax rolls online – some as soon as today – and accepting payment by mail. If you do this, the key is to get your mailing postmarked in 2017. If you want to insure this, bring it to the post office desk to be date stamped.

We suggest you check with your town receiver of taxes for the best way to get this done.

If your taxes are currently paid through an escrow account with your bank and you want to employ this strategy, you will probably have to make the payment on your own and then deal with your escrow company to get reimbursed for the payment. You may wish to communicate with them prior to doing this to investigate any potential problems this may cause you.

This one-time strategy of paying deductible expenses in 2017 instead of 2018 also applies if you are scheduled to make an estimated tax payment to NY State by 1/15/18, or plan to make significant charitable contributions in early 2018. Make those payments now, in 2017!

One caveat that we are obligated to point out: As of today, the tax bill is not yet law. It is widely reported that the President will be signing the bill after January 1st of the new year. Most observers on both sides of the aisle, and virtually all major news outlets expect that it will happen. In our opinion, it seems likely as well, but as Yogi Berra once said, "It ain't over 'til it's over". So we are presenting this information in light of the fact that it is based on something that is not technically a done deal. Proceed at your own risk.

Call us today if you have any questions about this notice. Though this tax law change has come to us very late in the year we will do our best to answer your questions before time runs out.

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