

## CRITICAL TRANSITIONS WEALTH ADVISORS

### Lower Your Taxes this Year!

Although the year is quickly coming to an end, you still have time to reduce your tax burden. Here are several ideas that you may be able to use to save you money!

1. **Leverage pre-tax savings:** Check into the opportunities you have available to set aside income on a pre-tax basis. This may include; putting funds in your Health Savings Account (HSA), contributing to your employer's retirement program, checking out all employee benefits and reimbursements, etc.
2. **Accelerate Deductions and Defer Income:** Take some time to think about reducing your taxable income in this year or the next. It may make more sense to move more income into the current year and defer expenses if the tax rate is going to be higher next year. Some ways to reduce your taxable income include; delaying receipt of a bonus check, making a charitable contribution, making an extra house payment, etc.
3. **Minimize tax-exempt and tax-deferred investments:** If you are in a higher tax bracket, you will notice more tax savings from federally tax-exempt and tax-deferred contributions to 401(K)s, IRA's, 529 College Savings Plans, etc. Note that contributions may still be subject to state and/or local taxes.
4. **Harvest your gains and losses:** Any donation of appreciated stock can enable you to avoid paying tax on the capital gains of that donation. Additionally, you can offset ordinary income with investment losses up to \$3,000.



5. **Avoid Penalties:** Begin getting your tax records in order sooner than later to avoid costly penalties from the IRS! It is never too early to start planning.
6. **Make full use of your marginal tax:** Keep in mind that the US tax rates vary by dollar amount, so you should take advantage of a lower rate until you step into the next level. This is crucial to remember if you are taking money out of a retirement account.

This information is not intended to be a substitute for specific individualized tax advice. We suggest that you discuss your specific tax issues with a qualified tax advisor.

## Making a Charitable Choice

The greatest benefit of charitable giving is the knowledge that you've helped make a difference in the lives of others. At the same time, charitable giving can also provide tax breaks, however be aware of the rules and keep track of what you've donated.

First, identify the charity you wish to support. With a little research, you'll soon find that there are many charitable organizations to choose from, supporting such causes as environmental protection, curing illness, or bettering the lives of children. What touches your heart the most? Next do some research. If you want to claim a tax deduction for your gift, you'll need to make sure that you're dealing with a registered charity to satisfy IRS rules. You can begin by contacting your local charity registration office (typically a division of your state attorney general's office) or your local Better Business Bureau (BBB). The BBB Wise Giving Alliance also provides independent evaluations of popular charities. These reports are available online at [www.give.org](http://www.give.org).



**Rules for Giving** - You're free to give as much to charity as you like. However, you'll need to follow IRS rules and keep records of your gifts to claim tax deductions. Monetary contributions are the easiest to report. Always pay via a check payable directly to the

charity, not to the person soliciting the contribution or to a donation collection agency. Ask for a receipt, and save it along with your canceled check and your bank account statements.

A deduction is no longer allowed for monetary gifts unless accompanied by a bank record or a written receipt from the charity indicating the amount of the contribution, date of the donation, and name of the charity. If your contribution exceeds \$250 in value, either in cash, certain property, or out-of-pocket expenses that are attributable to volunteer work, you will also need to obtain a written description of your gift. This description must contain an acknowledgement from the charity of your contribution, a description of non-cash items donated, a statement of whether the charity provided goods or services in exchange for the donation, and - if goods or services were provided - a good-faith estimate of their value.

Charitable donations are an excellent way to reduce your taxes and make a difference in the lives of others. Remember, though, that charitable giving may be a year-round concern, not something you only think about during the holidays or at tax time.

For specific tax information regarding charitable giving, please refer to <https://www.irs.gov/charities-non-profits/charitable-contributions> or your qualified tax advisor.

## Peanut Butter Blossoms!

Courtesy of [The Pioneer woman.com](https://www.thepioneerwoman.com)

### INGREDIENTS

- 1 1/2 c. all-purpose flour
- 3/4 tsp. baking powder
- 1/4 tsp. baking soda
- 1/4 tsp. salt
- 1 stick of butter, softened
- 3/4 c. creamy peanut butter
- 1/2 c. granulated sugar, plus more for rolling cookies
- 1/2 c. light brown sugar
- 1 large egg



- 1 tsp. vanilla extract
- Red and green sanding sugar, about 1/4 cup each, optional
- 42 chocolate kiss candies, unwrapped

## DIRECTIONS

- In a medium bowl, whisk together the all-purpose flour, baking powder, baking soda and salt. Set aside.
- Place the softened butter, peanut butter and sugars in a medium bowl (or the bowl of a stand mixer). With a hand mixer (or stand mixer with a paddle attachment), beat until creamy and light, 2-3 minutes.
- Add the egg and vanilla extract mix well to combine.
- Add the flour mixture in 3-4 batches, mixing on low to combine completely in between each addition. Scrape the bottom and sides of the bowl as needed.
- Line 2 large baking sheets with parchment paper. Place the sugar that you plan to use (granulated or sanding sugar) on a small plate.
- Preheat the oven to 350 degrees. Scoop mounded balls of dough (about 1 1/2 tablespoons each) and place them on a cutting board. Grease your hands and roll the scoops into balls.
- Roll each ball in the sugar of choice. Divide the balls amongst the two baking sheets.
- Bake for 9-11 minutes, just until the bottom edges look light brown, rotating the trays from top to bottom oven racks, half-way through baking.
- Remove from the oven and immediately press a Hershey kiss into the center of each cookie. (the cookie will crack slightly and that is ok!)
- Let the cookies cool for 2 minutes on the baking sheet, then transfer to a cooling rack to cool completely.

## Merry Christmas!

On behalf of Critical Transitions Wealth Advisors, we want to wish you and your family happy holidays! We wish you and your loved ones health and happiness at this special time of year, and thank you for your friendship and trust all year round.

*"Christmas is most truly Christmas when we celebrate it by giving the light of love to those who need it most." ~ Ruth Carter Stapleton~*



## Holiday Hours

- December 22, 23, 26 - Office closed for Christmas
- December 30 and January 2 - Office closed for New Year's



**Stephanie Y. Vokral**  
AIF®, CFP®, CDFA®

**Mandy W. Harling**  
Client Service Associate



625 Meadow Street / Columbia, SC 29205 / T: 803.749.7012

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