# Fort Lauderdale Accountant Publishes Informative Year End Tax Planning Guide

*February 18, 2020*

February 18, 2020 -
Wilton Manors, Florida based RMS Accounting recently published an informative article on year end tax planning to help people uncover tax planning opportunities to reduce their 2019 taxes. It primarily focuses on a number of significant changes made to the tax law and how these changes can improve someone?s tax situation. Learn more here: Fort Lauderdale Accountant.

As noted in the article, the first step people should take in tax planning is to identify the right time to factor in itemized deductions and standard deductions when they will do the most good. Finding the right time to activate specific types of deductions can significantly reduce the total tax value. A good example is to stack medical expenses into the years that they will exceed 10% of AGI to get the maximum tax benefit.

?It is important to note that the amount of tax is dependent on the taxpayer?s income bracket and, for any additional income, a marginal tax rate is being applied. A great way to avoid additional taxes is to delay income or accelerate expenses in order to reduce the amount of taxable income,? says Steven Weil from

RMS Accounting. He points out that delaying income even, if it will be taxed at the same rate in the future, enables the taxpayer to hold onto the money for longer. Moreover, he explains that delaying income tends to not only help the taxpayer?s cash flow but also significantly reduce the total amount of taxes that have to be paid.

Weil also states that a great way to reduce excessive income is to top-up one?s pension plan or IRA contribution. ?If you are self-employed, consider setting up a SIMPLE or 401(k) to maximise your investment while reducing your income and tax rate,? he suggests. On the other hand, employed individuals should encourage their employers to maximise their contribution?but they should also be aware that deductible IRA contributions will be invalidated when modified AGI (MAGI) reaches a certain threshold.

In addition, Weil explains that Roth conversions are a great way to take advantage of a year with lower than normal income. If income is nonexistent during the past year, it is highly recommended that people not let unused deductions go to waste by converting enough of the IRA to offset the unused deduction. Moreover, entrepreneurs are advised to avoid setting up a business that will most likely be classified as a hobby since businesses that show losses can help reduce taxes while allowing them to survive to profitability.

Furthermore, taxpayers are subject to a penalty if they do not make adequate estimated tax payment throughout the year. Total payment through withholding and estimated payment must be equal to the smaller of 90% of the current years taxes that will be shown on the 2019 tax return, or 100% of the prior years taxes as shown on the 2018 tax return. ?If you have not made the required estimated payments, the shortage can be made up through additional withholding on wages, pension distribution and or IRA distributions to avoid the penalty. Penalties can also be reduced by showing that a greater share of the year?s income was received in the last quarter of the year than in the prior quarters,? says Weil.

For the complete list of tax planning tips and guidelines, interested parties are welcome to visit RMS Accounting?s official website. Similarly, interested parties who wish to reduce their tax rates may connect with RMS Accounting to get started. They have a team of qualified accountants who provide professional tax accounting Wilton Manors residents can trust.

?Our goal is to provide professional and practical accounting and bookkeeping services to help our clients make and save more money. We provide complete accounting, bookkeeping, payroll, tax, business consulting and financial services, personalized to meet our client?s specific needs,? says Weil. The firm aims to provide services with measurable standards of quality in every way possible. RMS Accounting has a team of highly qualified individuals who can assist clients with all tax matters, including tax planning, estate planning, audit representation and tax preparation.

More information can be found on the firm?s website. Alternatively, interested parties may connect with RMS Accounting through their official social media pages to stay abreast of their latest news and important announcements. Steven Weil will remain available should clients have any further inquiries as well, and additional resources regarding the company, their activities and services can be found at the following link: Best Accounting Service In Ft Lauderdale Fla.

###

For more information about RMS Accounting, contact the company here:RMS AccountingSteven J. Weil(954) 563-1269steve@rmsaccounting.com2319 N Andrews AveWilton Manors, FL 33311

## RMS Accounting

*RMS Accounting provides accounting and bookkeeping services to both small businesses and medium sized corporations. Contact our Fort Lauderdale office for more about accounting, payroll and tax preparation services.*

Website: https://rmsaccounting.com

Email: steve@rmsaccounting.com

Phone: (954) 563-1269