

It's not too late to save money on your 2011 taxes. But you must take action on or before December 31!

General

- Make charitable donations. Don't forget, these also include non-cash donations.
- Use up your flexible spending plan funds. Use it now or lose it.
- If you have a Health Saving Account (HSA), contribute the maximum. For families it is \$6150, for individuals \$3050.
- If you need more itemized deductions, pay your January mortgage payment in December. The same for property taxes. If not, pay it in January.
- Enjoy the holidays! But don't forget about your taxes.

Residential Energy Credits (Credits reduce your tax liability.)

Non-business Energy credit. The credit is 30% of actual costs, with a max of \$500. Do this before the end of the year for 2011.

Examples include:

- Energy efficient heating and air conditioning system (most are,
- Insulation
- Exterior windows and doors
- Metal roofing
- Qualified natural gas, propane or oil furnace or hot water boiler

Residential energy efficient property credit. The credit is 30% of actual costs. Do this before the end of the year for 2011 credit. The program runs through 2016.

Examples include:

- Qualified solar electric
- Water heating
- Small wind energy
- Geothermal heat pump property costs
- Fuel cell property costs.

Vehicle Energy Credits

Plug-in Electric drive vehicle credit. . Minimum credit is \$2500 up to \$7500 depending on battery capacity for vehicles purchased after 12/31/2009. Program runs through 2014.

Plug-in Electric vehicle credit. The credit is 10% of the vehicle cost with a maximum of \$2500. The program ends December 31, 2011 so purchase the vehicle before then.

Conversion kits. *The credit is* 10% of kit cost with a maximum of \$4000. The program runs through 2012.

Individual Retirement Accounts (IRAs)

401K retirement plans. Contribute the maximum amount possible. To get the deduction on your 2011 taxes, you must contribute to your 401K via your paycheck on or before December 31, 2011. The maximum is \$16,500 for 2011.

IRA to Roth IRA conversion. In certain situations it may be to your advantage to convert your IRA to a Roth IRA before December 31st. Contact me to for more information about the tax implications of converting it before or after 12/31/2011.

IRA Qualified Charitable Distributions. If you are 70 1/2 and would like to make a charitable contribution, you can make it directly from your IRA. When you do this the withdrawal will not be taxable and will count towards your required minimum distributions. The maximum annual exclusion is \$100,000. This ends 12/31/11.