

# Tax Planning Checklist

Are you making a list and checking it twice? Hope it's the list of possible financial strategies you can employ prior to December 31, 2019 in order to improve your tax filing results come April 15, 2020. The following is a list of eight options you may want to consider before the close of 2019:

1. Donate appreciated securities or asset.
2. Establish a Donor Advised Funds (DAF)
3. Donate your Required Minimum Distributions (RMD)
4. Set up a 529 savings Plan
5. Bundle charitable donations
6. Save in a retirement account (401K), IRA, Roth IRA
7. Start an SEP or Solo 401K for self employed individuals
8. Open a Health Savings Account (HSA)

**NOTICE : For further advice on these and other options, please consult your tax preparer or professional for advice. This list is not exhaustive and is provided for informational purposes only and is not intended as legal or financial advice.**

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## #MoneyMonday: Minimum Wage Living

Short of a miracle, living on a minimum wage income in America is impossible. The federal minimum wage is \$7.25, but it varies from state to state. While politicians argue over raising the minimum wage to \$15 per hour, everyday working people struggle to make ends meet. If that's not enough, the current administration has imposed an additional 15% tariff on basic essential consumer goods such as meat and milk. While budgeting and saving can take you far, how can you really plan for a trade war and tariffs? While your options are limited, here are a few ideas that can help you make minimum wage livable.

### **1. Coupons and reward benefits:**

In order to make it through these difficult times you will have to become more resourceful in finding and using coupons. These can range from the manufacturer discounts to what you find in your local newspaper. You should not be concerned with what the person behind you in the grocery line thinks of you. You're saving money and that's the bottom line.

### **2. Layaway:**

While you may not be able to walk out the store with the item immediately, it locks in that affordable price for the item you want. It also locks in the price despite the trade wars, tariffs and tax increases.

### **3. Thrift Stores:**

You might be missing out on one of your best resource. Some thrift stores offer you the best of all possible worlds. First, the name brand items are discounted and in good condition. Second, and more importantly, some thrift stores have layaway programs. Imagine that! Layaway and not full price in the same deal! So go ahead and explore some new shopping options while living on

a low budget income.

Connect with us at [Ruthven@give2getrich.com](mailto:Ruthven@give2getrich.com)

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## **Savings and Back to School Tips for Working Adults**

When you think about back to school and savings, most of the attention seems to focus on those returning to elementary, middle, and high school. But what about the “mature kids”? You know, those adults who are working while attending classes in the evenings trying to complete that first degree. How can they save some money also?

### **Employers Assistance:**

If you are not planning to leave your job soon, I encourage you to discuss and negotiate with your boss the merits of the classes you are taking and how they have helped or improve your productivity and value to the company. Also, share how tuition has increased while educational assistance from the job has remained stagnant, and that a little more assistance can make the difference educationally. Don't argue your case! Just make a soft pitch.

### **Books:**

When it comes to text books it seems like the more things change; the more they remain the same-books are expensive! Your first priority of course is to find used books for your classes. Your next strategy is to try and find digital books which can also help you save you a bunch.

### **Keep Saving:**

This might sound crazy, but I'm asking you not to cut back on your 401 or IRA contributions while going back to school. While you may be tempted to do it in hopes of finishing faster, do not leave free money on the table! Maximize your contributions and let your employer make the full contribution amount allowable towards your retirement. I wouldn't mortgage my retirement for my education. If needed, establish a 529 tax advantage savings plan and starting allocating some resources towards your educational expenses.

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## **Tax Free Back to School Shopping**

Most of us get excited about shopping. But few of us enjoy Back to School shopping. It always seems like our kids need a host of materials and equipment, and the costs quickly become expensive. Well today's information will not only excite you, but it will also help save you some money. Tax free back to school shopping week begins on August 11, 2019 and ends on August 17, 2019 in the state of Maryland and other jurisdictions. If you think that's not a big deal just give me an extra one hundred dollars (\$100.00) after you have completed your kids back to school shopping and I'd

be happy to take it!

According to the National Retail Federation the average parent will spend approximately six hundred and sixty-nine dollars and twenty-eight cents (\$669.28) on back to school supplies per child. Maryland's sales tax rate is six percent (6%). Just think how much a family with two or more kids would save! So what are the rules and how does it work?

## **Clothing & Footwear:**

Clothing and footwear costing one hundred dollars (\$100.00) or less are exempt from the Maryland 6% sales tax this week. What that means is that if each item on its own costs one hundred dollars (\$100.00) or less, it does not matter if your combined purchases exceed one hundred dollars; your transaction is exempt from sales tax.

## **Backpacks and Bookbags:**

Backpacks and bookbags are exempt from Maryland sales tax with a little twist. If the backpack or bookbag cost less than forty dollars (\$40.00), then it is completely tax exempt. However, if the backpack or bookbag cost more than forty dollars (\$40.00), then only the first forty dollars (\$40.00) of the cost of the item is exempt Maryland sales tax.

## **Layaway:**

This is one of my favorite trick tips. If you're strapped for cash but want to take advantage of the tax free deals, put the items on layaway! Here's the deal. Under Maryland law, the sale is made when the layaway agreement is entered into, and therefore the qualifying items placed on layaway during the sales tax holiday period, are exempt. Lock in your deals now and pay later. Connect with us at [Ruthven@give2getrich.com](mailto:Ruthven@give2getrich.com)