

# TAX H.I.T.S.

Bi-Annual Income Tax Newsletter: Volume 4, January 2012



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## Tax Time is Near

Don't forget that tax time is approaching quickly. Be sure to pay attention to your January mortgage statement. Mortgage companies like to sneak the Form 1098's for mortgage interest into their January statements, where the forms are often not found by you, the individual. Also be on the lookout for forms like 1099's, W-2's, and 1099R's. These forms are due to be mailed no later than January 31<sup>st</sup>.

## Selected Tax Items for Tax Year 2011

### *Federal Items*

The personal exemption for 2011 is \$3,700. The standard deductions for Single filers is \$5,800, Head of Household \$8,500, Married Filing Joint \$11,600, and Married Filing Separate is \$5,800.

### *Minnesota Items*

The highest tax bracket for Minnesota this year is 7.85%, the middle bracket is 7.05%, and 5.35% for the lowest bracket.

## 2011 Tax Filing Procedures

The IRS and the state of Minnesota have announced that they will begin accepting e-filed returns on January 17<sup>th</sup>, 2012. Hempel Income Tax Service, Inc. will be ready to file returns at that time. Call ahead for an appointment with Keith Hempel or Tobin Hempel. Both of our tax professionals have ten or more years of income tax preparation experience. When you come in for an appointment we will try to complete your return while you are here. If we need additional information we will complete it after you deliver that information.

## Are you Eligible for a Traditional IRA Deduction?

Did you know that you may be able to take a deduction for contributing to a Traditional IRA? Your income and whether or not you are eligible for a retirement plan through your employer may affect your eligibility to deduct a contribution to a Traditional IRA. If you are not eligible for a Traditional IRA, a ROTH IRA may be appropriate as an alternative. However a ROTH IRA is not deductible on your tax return.

## Important Dates:

January 31<sup>st</sup>, 2012

*Furnish forms 1098, 1099, W-2, and W-2G to recipients of payments requiring those forms.*

March 15<sup>th</sup>, 2012

*Corporate tax returns are due.*

April 17<sup>th</sup>, 2012

*Individual and partnership returns are due.*

## Sophie Says:



“Where did all this snow come from? Maybe it's time for a new picture

This newsletter is not intended to be all inclusive. Please consult Hempel Income Tax Service, Inc. for any questions specific to your situation.