

Important Tax Information



Third quarter individual estimated payments are due September 16.

Taxpayers will receive a tax credit based on 100 percent of the first \$2,000 of qualified expenses, plus 25 percent of the next \$2,000, paid during the taxable year. You will be able to reduce your tax liability by one dollar for each dollar of credit for which you're eligible. If the amount of the tax credit for which you're eligible exceeds your tax liability (tax due), the excess will be refunded to you up to the lesser of 40 percent of the credit or \$1,000. This means you can receive the credit even if you don't owe any taxes.

In order to be eligible for the full credit, your modified adjusted gross income (MAGI) must be below \$80,000 for single tax filers or \$160,000 for joint filers. The credit is phased out, or limited, for MAGI between \$80,000 and \$90,000 for single filers (\$160,000 and \$180,000 for joint filers). This credit was extended by the *American Taxpayer Relief Act of 2012* and is available through December 31, 2017.

Keep Track of College Expenses



As you prepare to send your child off to college, it is important to keep track of specific expenses you incur as they may qualify for an education tax credit called the American Opportunity Tax Credit. This credit can be claimed for the first four years of post-secondary education.

The American Opportunity Tax Credit is a tax credit of up to \$2,500 of the cost of tuition, fees and course materials paid during the taxable year. Course materials include, but are not limited to, course-related books, supplies and equipment that are required as a condition of enrollment or attendance, but not necessarily paid to the educational institution. Does a laptop for your student qualify? Well, that depends on whether the computer is needed as a condition of enrollment or attendance at the educational institution.

Did You Know?

Martha Washington is the only woman whose portrait has appeared on a U.S. currency note. It appeared on the face of the 1886 and 1891 \$1 Silver Certificate as well as on the back of the 1896 \$1 Silver Certificate.

Quote Corner

It is well enough that people of the nation do not understand our banking and monetary system, for if they did, I believe there would be a revolution before tomorrow morning.

~Henry Ford