

## Five Hidden Ways to Boost Your Tax Refund

Tax time is just around the corner. Wouldn't a big fat tax refund come in handy? Well, here are steps you can take to boost your tax refund when you file.

### Itemize your deductions.

The standard deduction is \$12,400, so it's tempting to claim it rather than tracking down receipts and tax forms so you can itemize your deductions. But itemizing might be worth it if you are a homeowner with a sizeable mortgage, gave money and "stuff" to charity, or paid points when you took out your mortgage.

If you are an educator, you can deduct up to \$250 of school supplies even if you don't itemize deductions. Start gathering information right away so you'll have everything ready when you file.

### Claim education expenses.

If you are paying college expenses for yourself, your spouse, or a child, two education credits can help defray those costs, the American Opportunity Tax Credit (AOTC) and the Lifetime Learning Credit (LLC). The AOTC is a partly reimbursable credit for 100% of the first \$2,000 of education expenses you pay and 25% of the next \$2,000. The Lifetime Learning credit (LLC) is 20% of the first \$10,000 of education expenses. The AOTC is eliminated once your income exceeds \$90,000 and the LLC at \$68,000. There are other differences as well, so weigh your options carefully in deciding which credit to claim. Start gathering the data you'll need to claim the deduction and consider prepaying tuition or other costs to get the maximum credit possible.

### Claim credit for your "full house".

If your adult children, their significant others, and friends have come to live with you, you may be eligible to claim a \$500 tax credit for non-child dependents you support if their income is less than \$4,300. You can claim the credit for parents you support, even if they don't live with you. Stick a note into your tax file reminding you to investigate claiming these credits when you file.

### Tax-deductible retirement accounts.

This is a way to save for your future and boost your tax refund. If your income is under \$65,000, you may qualify for a Saver's Tax Credit as well. That's three different benefits from the same action. If you didn't make contributions to your 401(k) by the end of last year, you still have until the tax filing deadline to contribute to an IRA.

### Deduct worthless investments.

If you have any investment that went belly-up and sold it before the end of last year, you can claim a tax loss. If someone owes you money that you can't collect, you can claim that as a bad debt deduction as well. Write a description of the debt that includes the name of the debtor, the amount, and the date the debt was due, and any relationship between you and the debtor. Describe the efforts you made to collect, and why you think the debt is now worthless.

### File your tax return on time!

You won't get a tax refund until you file your tax return. But really, even if you aren't required to file a tax return because your income is low, file anyway to claim your refund for taxes withheld and any refundable credits you are entitled to. If you wait more than two years to file, the IRS will not issue you a refund.

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