

Snow, cold, snow and more cold. I hate this weather- however, I guess it makes us appreciate the sunny days and Spring just a little more than we usually do.

Well, the IRS has finally said that they will begin to process returns on Valentines Day. Last week I was wondering if we could still file and it would wait on the servers or see if the tax returns would go through if they weren't affected by the "wait". I can't file any of the clients who itemize or who have a Schedule C. Schedule C forms won't be ready for two weeks and the others- just sitting here waiting for the IRS to start to accept. I guess I will be busy that day with the computer and the EFile now button.

Here are a few more odds and ends to think about.

- A **deduction** will only allow for a small amount of your taxable income to be lowered. Think of this as a coupon at the grocery store.
- A **credit** is a dollar for dollar off of you tax bill. Think of this as bonus bucks from Kohl's when you go shopping. They include the Energy Credit, Child Tax Credit and Retirement Savings Credit.
- A **refundable credit** is super bonus bucks. This is a dollar amount that is added on to your tax refund to increase it. They include EIC, Additional Child Tax Credit and the American Opportunity Credit.
- If your child is still living with you while in college and is under the age of 24 *AND* you pay more than half of their expenses and they earn less than \$7,500, you may claim them and then the college credits.
- Cancellation of debt- when the credit card companies settle for a lower amount than owed is income.
- Selling your house under a short sale or having a foreclosure doesn't mean that it is all taxable or all non taxable. It's best to have a Tax Pro do your return for this complicated form.

These are just small glimpses of the different things to think about when filing your tax returns. If you have any questions about any articles, feel free to email me at [kristhetaxlady@gmail.com](mailto:kristhetaxlady@gmail.com).

If you have questions about your own taxes or a what if situation, again, email me at [kristhetaxlady@gmail.com](mailto:kristhetaxlady@gmail.com), and I will either answer your question in the article or personally.

Next Week: Rental income/expenses.