

Hi there! With the kids back in school and summer coming to an end, here are a few items to look over as you start thinking about your 2011 taxes!

It's never too early!

If you have any questions, contact me at (559) 916-1909 or jean@jordantax.net.

➤ **Back-to-School Tax Credits/Deductions:**

- ✚ American Opportunity Credit – extended to 2011 and 2012. The credit can be up to \$2,500 per eligible student for the first four years of post-secondary education expenses. 40% of this credit is refundable!
- ✚ Lifetime Learning Credit – in 2011, this credit is up to \$2,000 for qualified education expenses. There is NO limit on the number of years this can be claimed.
- ✚ Tuition and Fees Deduction – deduction up to \$4,000 for qualified higher education expenses.
- ✚ Student Loan Interest Deduction – deduction up to \$2,500 for qualified interest.

➤ **General Changes from 2010 to 2011:**

- ✚ Personal and dependent exemption is \$3,700, up \$50 from 2010.
- ✚ Standard deduction for MFJ is \$11,600, up \$200 and \$5,800 for singles, up \$100.
- ✚ Tax-bracket thresholds *slightly* increased for each filing status.

➤ **Reminder: Changes to Flexible Spending Accounts:**

- ✚ The cost of an over-the-counter medicine or drug can't be reimbursed from an FSA or health reimbursement arrangements unless you have a prescription. The change does not affect insulin, or other expenses such as medical devices, eye glasses, contact lenses, co-pays and deductibles.

➤ **Adoption Credit:**

- ✚ The Affordable Care Act raised the maximum adoption credit to \$13,170 per child. It also makes the credit refundable!

➤ **On-the-Go Information:**

- 📱 IRS2GO – Smartphone application
- 📱 YouTube – IRS video channels
- 📱 Twitter – IRS tweets @IRSnews
- 📱 Audio files for Podcasts – available on iTunes or IRS.gov

* For additional news, information, and helpful links, you can also check out www.jordantax.net *

