

TAX TIPS

by
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DID YOU INHERIT MONEY IN 2016?

If yes, your taxes may be different this year! The inheritance itself is not taxable. However, if you received one or more of the following, you will have income (and perhaps deductions) that need to be included on your tax return:

- 1099R from an IRA
- 1099R from a 401K
- 1099R from an annuity
- K-1 from a 1041 as a beneficiary of an estate or trust.

In addition, if you sold inherited capital assets such as stock, mutual funds or a house, there are special rules for determining the cost, based upon the Fair Market Value at the date of death of the decedent.

The IRS now has a K-1 matching program to check income from these forms with that included on your tax returns, so errors now could cause problems in a year or two.

STRAUSS TAX SERVICE can prepare your 2016 taxes and explain each form that you received. We can also answer your questions, plan for 2017 and save you money We are located at 624 62nd Street, Downers Grove and are open from 9 AM – 9 PM daily.

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