

# Tax Insight–December 2016

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## Important Tax Reminders

- Fourth quarter 2016 individual estimated tax payments are due on January 17, 2017. You do not have to make this final payment if you file your 2016 tax return by January 31, 2017, and pay the entire balance due with your return.
- Start gathering any items necessary for the preparation of your tax returns, including charitable contribution receipts, stock transactions, business mileage records, medical expenses, moving expenses, unreimbursed business expenses, etc.
- Starting in mid-January, tax documents, including W-2 and 1099 forms, will begin arriving in your mailbox. Store them in a safe place for your tax season appointment.

## Social Security Benefit Increase

The annual cost-of-living adjustment (COLA) usually means an increase in the social security benefits people receive each month. By law, the monthly social security and Supplemental Security Income (SSI) federal benefit rate increases when there is a rise in the cost of living. The government measures changes in the cost of living through the Department of Labor's Consumer Price Index (CPI-W).

The CPI-W rose this year. When inflation increases, your cost of living also goes up. Prices for goods and services, on average, are a little more expensive. Since the CPI-W did rise, the law increases benefits to help offset inflation. As a result, monthly social security and SSI benefits for over 65 million Americans will increase 0.3 percent in 2017.

Other changes that would normally take effect based on changes in the national average wage index will begin in January 2017. For example, the maximum amount of earnings subject to the social security payroll tax will increase to \$127,200.

## Quote Corner

“Failure is simply the opportunity to begin again, this time more intelligently.” ~Henry Ford

## Did You Know?

In 1836, Alabama became the first U.S. state to recognize Christmas as an official holiday.

## Questions?

Please feel free to give us a call if you have any questions, or would like help filing your 2016 Income Tax Returns.

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