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Newsletter

We would like to take this opportunity to thank you for your business, and we hope you enjoy your Thanksgiving holiday. Below you may find some news of interest to you.

Year-End Planning

Another tax season is rapidly approaching. There is no better time than the present to begin planning and organizing for it. Organized records not only make preparing your return easier, but may also remind you of relevant transactions that have occurred throughout the year.

Generally speaking, you should keep any and all documents that may have an impact on your federal and state tax return. It is a good idea to have a designated place for tax documents and receipts. Set up a file folder, or an envelope, and just tuck documents away as you receive them. For those looking to minimize on saving paper records, you can simply scan your information and save it on your computer for safe keeping. Then, the task of gathering your paperwork for tax time is that much easier.

In addition, we offer detailed year-end tax planning for our clients who would like guidance in retirement, college, estate and trust planning, as well as assisting with other financial goals. If you would like our assistance, please call our office for an appointment as soon as possible, in order to plan before December 31st.

Possible Tax Deductions For Gluten-Free Foods

If you or one of your dependents has celiac disease and you itemize your tax deductions, the extra costs of gluten-free foods may be taken as a medical expense.

If you have never filed for a tax deduction for your gluten-free food purchases, there are some important things you should know before you do:

1. You need an official diagnosis to be eligible: While many people choose to eat gluten-free for a variety of reasons, only those with an official diagnosis with a gluten-related disorder will be eligible for a tax deduction. You'll need a prescription

from your doctor for a gluten-free diet as your treatment option as well.

2. Keep track of your food purchases the entire year. In order to receive the tax deduction, you'll have to calculate the difference between the cost of gluten-free alternatives vs. the cost of gluten-containing foods. For example, if you purchase gluten-free crackers for \$4.50 and traditional crackers cost \$2.50, you'll only be able to claim the difference of \$2. This will need to be done throughout the year as you purchase gluten-free food.

3. IRS rules dictate that deductions for medical expenses will be granted only if they exceed 10% of your adjusted gross income (AGI).

Once you figure out if you're eligible for a tax deduction, the last step is moving forward and filing your claim. The National Foundation for Celiac Awareness provides a [Tax Deduction Guide for Gluten-Free Products](#) as well as more information on the specific IRS tax forms, rulings and publication reference numbers you'll need to file. You can find this information at www.beyondceliac.org.

Charitable Contributions Guide

Qualified charitable organizations include nonprofit groups that are religious, charitable, educational, scientific, or literary in purpose, or that work to prevent cruelty to children or animals.

Out-of-pocket expenses incurred in performing volunteer work for a charitable organization (including the charitable mileage deduction) are considered cash contributions. The value of a donor's time is not deductible.

If a taxpayer receives a benefit in exchange for a charitable contribution, the deduction is reduced by the value of the benefit received. For example: Paul made a \$70 donation to Public TV and received a \$40 CD of his all-time favorite band, the Herman's Hermits, in appreciation for his donation. His deduction equals \$30.

Deductible out-of-pocket expenses include the cost of using the taxpayer's auto in providing services for a charitable organization. Deduct the actual cost of gas and oil or the standard mileage rate of \$0.14/mile. Add parking and tolls to amount claimed for either standard mileage rate or actual expenses. A mileage log is required, and the general standard mileage rate for charity applies.

If used items were given to charity, such as clothing or furniture, the fair market value of the items is used to determine the deductible amount. Fair market value is what a willing buyer would pay a willing seller when neither has to buy or sell and both are aware of the conditions of the sale. No deduction is allowed for a charitable contribution of

clothing or household items unless the clothing or household item is in good used condition or better. The IRS is authorized by regulation to deny a deduction for any contribution of clothing or a household item that has minimal monetary value, such as used socks and undergarments.

A written statement from a charity is required if a donation is more than \$75 and is partly a contribution and partly for goods or services. The statement must contain an estimate of the value of goods or services received.

If you are donating a vehicle, obtain written acknowledgement from the organization, which includes details on the use or disposition of the vehicle by the donee organization. A copy of the written acknowledgement must be attached to the tax return.

If a contribution is \$250 or more, a written acknowledgement is still required. If the organization sells the vehicle without any significant intervening use or material improvement, and the sale yields gross proceeds of \$500 or less, the deduction is equal to the lesser of fair market value or \$500.

Holiday Closure

Please note our office will be closed the week of November 21-25 in observance of the Thanksgiving holiday.

As always, if you have any questions, or need additional information, please contact our office.

Sincerely,

Kevin J. Zulch and Jennifer R. Neese
Zulch Tax Consultants & Accountants