**Frequently Asked Tax Questions:**

**If I received hurricane relief money from FEMA, do I have to pay it back?**

*If it was a low interest loan, yes.*

**Do I qualify for Earned Income Credit?**

 *If you earn less than $40,000 and have a qualifying child less than 19 years old or up to 23 years old if in school fulltime. The amount credited depends on income, filing status, and number of dependents.*

**Do I qualify for a Child Tax Credit?**

*Tax payer with dependent children less than 17 years old qualifies for $2,000 per child if earning less than $200,000 for single or head of household; or $400,000 for joint return.*

**Should I itemize my expenses or is the Standard Deduction better for me?**

 *In 2018, the Standard Deductions were raised as the following: Single $12,000, Head of Household $18,000 and Married/Joint $24,000. If your qualifying deductible expenses are more than your Standard Deduction amount, then yes, you should itemize.*

**Do I qualify for an Education Credit (American Opportunity Tax Credit or Lifetime Learning Credits)?**

*If you earn less than $90,000 single or $180,000 joint, you may qualify for full or partial credit and/or refund. Maximum credit is $2,500 for tuition and required fees for enrollment or attendance at an eligible post-secondary educational institution. Some expenses that do not qualify are: room and board, transportation, insurance, medical expenses, and other student fees not required for enrollment or attendance.*

**What can I claim as my deductible contributions?**

*Any donation to an organization that has tax exempt status such as, but not limited to a 5013C organization.*

**I bought a new car, what can I deduct?**

 *Sales tax for a regular gas fueled vehicle is tax deductible. In addition, for 2018 only, electric cars have a tax credit up to $7,500. This credit will be reduced in 2019.*

**I bought a new house, what can I deduct?**

*You can deduct your real estate taxes or points paid on your HUD or closing statement of a primary residence, rental or investment property. However, rental and investment properties are handled differently.*

**Can I still claim my adult child, and until what age?**

*Children under 19 years old can be claimed. If your adult child is 19-23 years of age, they must be a full-time student and you must provide at least 51% of their living expenses. If they are not a full-time student, there are some limitations on what you can and cannot claim; call for advice. If the adult child is 24 years old or older, they are considered a relative. They may qualify if they earn less than $4,150.*

**Can I claim another family member or friend living with me as a dependent?**

*You can claim a family member or friend that lived with you for at least 6 months if they earned less than $4,150 and you provided 51% or more of their living expenses. You must provide proof of residency for them such as a medical bill or school letter.*

**Does my working teenager have to file a tax return?**

*Teenagers earning greater than $10,350 must file a tax return. You may seek advice if it is better that they claim themselves or if the parents should claim the teenager on their tax return. If teenagers earn less than $10,350, they do not have to file. However, if they had Federal or State taxes withheld, they should file.*

**Is Disability taxable?**

*Most Disability plans are taxable, but there are some exceptions.*

**Is my Social Security income taxable?**

*If you have no other income and Social Security is your only income, then no, it is not taxable, and you do not have to file a tax return. A disabled dependent child’s social security can be claimed, and it is not taxable.*

**Is my Child Support taxable or deductible?**

*No, it is not considered income or an expense.*

**Is my Alimony taxable or deductible?**

In 2018, yes, it is considered income or an expense. However, this will change for years 2019-2025. It will not be considered income or an expense and will not be taxable or deductible.

**Are my gambling earnings taxable?**

*Yes, gambling earnings are taxable. You should save your purchased tickets receipts to off-set the earnings. However, you can only deduct expenses up to the amount of the prize earnings.*

**Is my inheritance taxable?**

*It is not taxable in most states like Florida, but it is taxable in some states such as: Indiana, Iowa, Kentucky, Maryland, Nebraska, New Jersey, and Pennsylvania. The tax is determined by the state where the inheritance is coming from.*

**Is my financial gift from a family member taxable?**

 *Anyone can give a financial gift to another person up to $15,000 tax free. A gift over $15,000 may be taxable to the giver, not the recipient; and a 709 United States Gift Tax Return needs to be filed by the giver.*

**Are Energy Credits still available for expenses paid on making my home more energy efficient?**

*There was a $500 one-time in a life-time credit towards expenses paid for making your home more energy efficient; in addition, any solar expenses could be deducted up to 30% and be repeated in a life-time. Although for now these credits have been repealed; it is being voted on in 2019 by Congress so these credits most likely will be returned.*

**What is the difference between C-Corp, S-Corp, and LLC?**

*C-Corp is a self-contained entity and the corporation pays the tax.*

*S-Corp has passthrough income and the individual owner pays the tax.*

*LLC is a Limited Liability Company and can be either a single or multi member LLC. Each type is treated differently: sole-proprietor, partnership or like an S-Corporation. Seek advice in order to evaluate which identity is best for your company.*