



## 2014 Tax Season Has Some Twists *Overlooked Deductions Can Add Up*

If you're expecting a tax refund in 2014, plan to wait 21 days after filing. Those three weeks are how long the IRS is predicting it will take to get a refund. Since the feds didn't start processing 2013 returns until January 31, those of us who normally receive our tax refund in early February will have to wait until the end of the month. This year's lag time is due to the government shutdown in the fall of 2013.

That's not the only thing unusual about this year's tax season. Don't assume you're going to get a refund this year just because you got one last year. More federal taxpayers are expected to owe this year than in the past. Approximately 45 percent of federal returns are projected to have a balance due in 2014, up from the traditional 40 percent of recent years. While that can be taken as a sign that people are earning more and therefore paying more, it may not make a bitter pill any easier to swallow.

Most Americans don't mind paying their fair share, but no one wants to overpay. Your tax bill is only going to be as accurate as the data you put into calculating it. That's why knowing what deductions you're eligible for and how to use them is worth the time it takes.

One of the most overlooked tax deductions is **state sales tax**, especially in Texas where there is no state income tax. This deduction didn't exist in 2012, but was restored at the beginning of 2013 and made retroactive to include state sales taxes paid in 2012. The deductible amount varies based on local sales taxes. Check the IRS.gov website for more details.

If you're paying your child's student loans, the IRS considers that money given to the child, and therefore deductible. That means a student, who's not claimed as a dependent, can deduct up to \$2,500 in student loan interest, even though mom and dad paid the bill.

There's also a **lifetime learning credit**. You don't have to be working on an undergraduate degree to qualify for this credit. If you're investing in learning a new skill or developing a new employment opportunity, this credit applies to you.

**Job-hunting expenses** are another deduction many people miss. If you were job hunting in 2013, certain expenses can be written off, even if you didn't land a new job. Don't let the cost of finding a new job keep you from trying. Some of the qualifying job-hunting expenses include food and lodging costs if you were away from home overnight, employment agency fees, the cost of duplicating resumes, even parking and tolls.

Finally, don't be billed for being generous. While large charitable contributions are easy to remember and claim, the smaller out-of-pocket donations are often forgotten. Those lesser amounts can add up. For example, if you prepared a meal for an organization serving the



homeless, the ingredients are deductible. You can also deduct the cost of stamps you bought for a school's fundraising mailer, or the miles you drove to deliver holiday gifts to the needy. Many experts suggest as many as 30 percent of Americans overpay their taxes "just to be on the safe side" or because they don't know about the deductions available to them. When it comes to taxes, fair is fair, so be aware.